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# ***JPRS Report***

## **Near East & South Asia**

REPRODUCED BY  
U.S. DEPARTMENT OF COMMERCE  
NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

**DISTRIBUTION STATEMENT A**  
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Distribution Unlimited

19980713 068

# Near East & South Asia

JPRS-NEA-89-029

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## REGIONAL

### Prime Minister Declares Better Relations Sought With Iran

44000393 Kuwait ARAB TIMES in English  
16-17 Feb 89 p 1

[Text] New York, Feb 5, (KUNA). HH the Crown Prince and Prime Minister of Kuwait Shaykh Sa'ad al-'Abdallah has been quoted as saying he is optimistic of the negotiations between Iran and Iraq to end their protracted war.

"So far, I am optimistic, because the Iranians have made it very clear they are willing to end this way," Shaykh Sa'ad said in remarks published in the New York SUN-DAY DAILY NEWS.

Shaykh Sa'ad also said Kuwait is seeking better relations with Iran to end past misunderstanding created by the Gulf war.

Present relations between Kuwait and Iran are heading towards the right direction, the Crown Prince said, noting that Kuwait has reopened its Tehran embassy.

#### Improve

He pointed out that the Kuwaiti staff at the embassy in Tehran is working to improve relations between both countries.

But Shaykh Sa'ad warned that Kuwait would not allow any foreign country to interfere in its domestic affairs.

"We are closely following negotiations in Geneva, and have not objected to resume good relations with Iran, as long as they don't interfere in our domestic affairs," the Crown Prince said.

Commenting on Shaykh Sa'ad's remarks, the magazine said despite its proximity to the Gulf war, "Kuwait has managed to maintain a neutral posture that has guided it through the Iran-Iraq crisis and enabled it to preserve its territorial independence."

"We were very worried during the war, but thanks to God, we followed a wise policy," said Shaykh Sa'ad.

#### Accused

"Iran sometimes accused Kuwait of supporting Iraq, but we explained to the Iranians that although we are Arabs and close to Iraq, we had not offered military help, because the country didn't need military support from Kuwait," the Kuwaiti leader went on.

Shaykh Sa'ad expressed satisfaction on relations with the United States, but suggested "the time has come for the United States to put some sort of pressure on Israel to withdraw from the occupied West Bank, Gaza Strip and the Golan Heights—Arab lands seized in the 1967 war."

## PALESTINIAN AFFAIRS

### Intifadah Leaflets Approved by 'Arafat, Faxed From Europe

44000365 Jerusalem THE JERUSALEM POST  
in English 16 Feb 89 p 1

[Article by Yehuda Litani]

[Text] Leaflets issued during the intifada by the United Leadership of the Uprising are being sent from Europe via facsimile, after each receives PLO Chairman Yasir 'Arafat's seal of approval, Israeli officials said yesterday.

Their revelation provides a unique glimpse into the high level of coordination that has evolved between the PLO leadership in the territories and abroad.

A draft of each leaflet is first drawn up in the territories by a committee of the uprising leadership, and sent by facsimile abroad, via Europe to Tunis, Israeli officials said.

There is reviewed by a PLO committee, which functions parallel to the United Leadership here. That committee has representatives from all of the major PLO factions. Besides approving the proposed leaflets, the committee also directs and coordinates daily intifadah activities.

### West Bank Village Parade Honors DFLP

44000366 Jerusalem THE JERUSALEM POST  
in English 23 Feb 89 p 12

[Article by Joel Greenberg]

[Text] Mazra'a Sharqiyah—As reinforced troops quashed demonstrations in neighbouring Ramallah, villagers here celebrated the 20th anniversary of the Democratic Front for the Liberation of Palestine [DFLP] with full military honours and in splendid isolation.

A carefully choreographed military-style march by local teenagers showed how uprising protests, stifled by the army in urban centres, have spread out to more remote villagers, where the IDF's [Israel Defense Force] presence is only occasional.

Mazra'a Sharqiyah, a hilltop village with a population of some 3,000, yesterday looked like an independent hamlet expecting a state visit. Rows of Palestinian and DFLP flags decorated telephone poles, and the local mosque was festooned with scores of plastic pennants, topped by a huge banner flying from the minaret. Buildings were plastered with pictures of DFLP leader Nayif Hawatimah, and movement leaders killed abroad and in the

territories. There were also pictures of Yasir 'Arafat and his assassinated deputy Abu Jihad, and a copy of the latest leaflet issued by the underground leadership of the uprising.

Walls were covered with layer upon layer of nationalist graffiti, including stencilled emblems of Fatah (rifles crossed over a grenade), the Marxist DFLP (a red star) and the Communist Party (hammer and sickle). One slogan marked the DFLP's 20th anniversary in purple prose: "Twenty stars in the skies of our homeland, twenty roses on the bosom of our Palestinian state."

At the appointed hour, a formation of khaki-clad masked youths marched out of the alleys, their leader keeping time with a whistle. They were preceded by a uniformed youth who filmed the march with a video camera. The youths carried Palestinian flags, and marched behind a DFLP banner and a large Palestinian flag. The DFLP flag bore a red star and the words: "The legacy of the martyrs is to continue the uprising. Victory to the intifada. Glory to the Democratic Front." The youths' masks were red, green, black, and white—the Palestinians' national colours.

As the teenagers marched, lookouts on rooftops and atop the mosque minaret watched for soldiers. Crowds of young men chanting slogans followed the marching youths, and behind them walked women, mothers with children, and girls, chanting their own refrain: "With blood and spirit we will redeem you, Palestine."

After a moment of silence in commemoration of the "martyrs" of the uprising, the procession wound its way around the village, halting at the site where two local men were killed.

Back at the mosque, the uniformed youths lit makeshift torches and took up positions, as speakers addressed the crowd through a megaphone. One young man read a DFLP leaflet denoting the anniversary and condemning "Imperialism, Zionism, and Arab reactionaries." Another read anniversary greetings from Fatah, and drew applause as he mentioned "Abu 'Ammar" the nome de guerre of Yasir 'Arafat.

At a whistled signal, the uniformed youths ran off in single file. The gathering broke up—a demonstration that remained peaceful because the army stayed away.

## ALGERIA

### Efforts Under Way To Create Employment Opportunities

*Algiers EL MOUDJAHID in French 19 Feb 89 p 4*

[Text] Employment in Algeria is one of the major problems that the government's program is attacking head-on in order to reverse the trend toward increased unemployment. Through economic recovery, productive

and high-priority investment, measures vital to the creation and development of employment-generating economic and social activities, the special program for youth employment, and the creation of a national employment commission, a veritable offensive strategy is being implemented.

A look at the current employment situation shows 4 million employed workers for 1.2 million jobless—or 23 percent of the active population.

The ranks of these un- or under-employed citizens are filled chiefly by young people (nearly 80 percent). A not insignificant share of them (300,000) have been unemployed for over 3 years.

Regional unemployment rates by wilaya range from 12 to 33 percent, while locally over a third of the communes have rates in excess of 25 percent.

An analysis of the causes of this situation point up the existence of structural unemployment, since the country was unable to offer jobs to all seekers during its best years.

Moreover, the decline in the percentage allocated to productive investment during the eighties resulted in a slowdown in the creation of jobs.

The economic crisis emanating from the drop in our foreign exchange revenues also resulted in inadequate use of our productive capacities and cancellations in load schedules, resulting in cutbacks of personnel.

Overall, the situation has evolved as follows:

	Situation as of 31 Dec 1984	Situation as of 1 Jan 1989
Active Population	4,459,000	5,239,000
—Employed	3,758,000	4,038,000
—Un- or Underemployed	701,000	1,201,000
Unemployment rate	15.7%	22.9%

Between 1985 and 1988, the net balance of 280,000 new jobs resulted from the creation of 320,000 new positions and the elimination of 40,000.

### A Real Challenge

The active population is increasing by an annual growth rate higher than that of the population living within national boundaries because of the structure of the latter and an increase in activity rates, especially of women.

The additional demand for work is estimated at:

- 202,000 jobs/year for the 1985-1990 period;
- 241,000 jobs/year for the 1990-1995 period;
- 300,000 jobs/year for the 1995-2000 period.

These changes will require the creation of more than 4,000,000 positions over the 1989-2000 period to meet social needs (including accumulated shortfalls). 2,400 billion dinars will have to be invested over the period to reach this goal.

It is a real challenge confirmed by the table below:

	Average Achieved 1979-1988 Period	Average Required 1989-2000 Period	Ratio
Annual Jobs	100,000	350,000	3.5
Annual Investments	70 billion Alg. dinars	200 billion Alg. dinars	3

The government's strategy in dealing with this alarming situation can be summed up in five points:

1) Economic recovery through greater if not full use of the country's productive capacities, to preserve and consolidate existing employment, while respecting the increased productivity achieved by autonomous enterprises.

2) Renewed productive investment centering on a list of one hundred or so priority projects that will create jobs in the short term through their implementation (studies, construction/civil engineering works, assembly work) and offer many jobs in the medium term when operative.

3) The adoption of a series of measures (52) to generate jobs in the very short term and to create the conditions that will allow the goal of 90,000 jobs for 1989 to be exceeded. Finally, and above all, these measures are intended to create the framework and state of mind for a new employment dynamic aimed at using the country's human resources more efficiently, with a better match between the needs of the economy and the output of the educational-training system.

4) Implementation of a specific program for young people aged 15 to 24, focusing both on employment and training and qualifications. This special program will be financed essentially by a national solidarity tax.

5) The creation of a national employment commission comprised, in particular, of specialists and academics, sector representatives, study and research institutions, and professional, cultural and scientific unions. The commission will be responsible for coordinating thorough reflection and very broad cooperation on the ways and means of developing employment in the medium and long terms.

Renewed growth in employment depends on increased productive investment through encouraging and stimulating national savings.

To achieve this, it is proposed that the creation of all sorts of enterprises be encouraged, in particular through an appropriate lending policy; this policy should tend to confer added value on competence and free up initiatives.

Other means are also proposed, such as the elimination of employment annuities, which hamper competitiveness and productivity—these latter two supposed to increase the possibilities of accumulating and creating jobs.

Moreover, the employment variable must be integrated as a real strategy in technological choices. Technological options must take into account effects on the creation of jobs.

The development of sectors that create a ripple effect (sub-contracting, crafts, housing, tourism, etc.) and cost-reduction in creating jobs were not overlooked.

We must also continue to train and educate our young people, for skills are the best guarantee of job fitness and the best means of boosting productivity.

#### Measures in Perfect Harmony With Political and Economic Reforms

The government strategy is an offensive one, taking into account short-, medium-, and long-term aspects and based on provisions and measures in perfect harmony with the political and economic reforms underway in our country. Cutting the red tape from regulations in effect and opening up all activities to citizens falls into the category of the exercise of freedoms, while economic and tax provisions come under the heading of using micro-economic levers and regulation to achieve the desired effects (in this case, employment) while respecting the autonomy of economic participants.

The common denominator in the series of 52 measures recently adopted by the government Council is their aptitude to assist in bringing together all the conditions vital to the creation and development of economic and social activities that generate employment.

The measures adopted identify niches with considerable and unexploited possibilities for employment and suggest priorities for both regional intervention and intervention in social classes most directly affected. At the same time, they aim to remove all manner of obstacles preventing the creation of [economic] activity, to facilitate access to the basic factors of production, and to implement ways of encouraging and supporting employment and assisting and advising companies and workers.

While referring the reader to a later article presenting and analyzing the 52 measures adopted by the government, we will note here those concerning tax and paratax incentives already applicable in accordance with the

1989 appropriations bill, and those dealing with the revision of the legal framework governing the exercise of economic activities already in operation.

### Encouragement Through Tax Exemptions

The tax and para-tax measures in question are:

- total 3-year exemption from taxes on BICs (Industrial and Commercial Profits), VF (lump-sum payment) and TAIC (Tax on Industrial and Commercial Activity) for any creation of activity in a priority area. This exemption is extended to 5 years when activity is created in an area earmarked for promotion (one integrating communes with high unemployment rates and large urban sprawls with high concentrations of young people).
- exemption extended to 6 years (including land taxes) for any investment in tourism.
- exemption from the VF for 3 years for creating any permanent employment. A reduction in the rate of employer social-security contributions from 24 to 7 percent for 2 years for the recruitment of any young person. This last advantage must translate into an improvement in the general level of employment in the company concerned.

The measures concerning revision of the legal code governing the exercise of economic and social activities are:

- elimination of the prior consent procedure for industrial and service activities initiated by private promoters.
- simplification of the procedure for enrolling in the trade register, through repeal of the requirement for a certificate of economic and social usefulness (16 April, 1986 decree).
- establishment of a crafts and trades register at the APC [expansion unknown] level, to replace the trade register, for activities falling under the 88-16 law of 10 May, 1988.

### Increased Geological Survey Seen as Part of Energy Development

45190049a Algiers EL MOUDJAHID in French  
26 Feb 89 p 11

[Interview with M. Boussena, minister [probably of Energy], by Omar Belhouchet, date and place not specified]

[Text] [EL MOUDJAHID] Nationalization of hydrocarbons has made it possible to construct a formidable system of production for hydrocarbons. How do you assess, Mr Minister, the present and future?

[M. Boussena] Nationalization of hydrocarbons is a fundamental step in the process of recovering national sources of wealth. It is unquestionably a starting point that allows us to harness energy resources for the independent economic development of our country.

The other event is the 25th anniversary of the creation of SONATRACH [National Association for Transport and Marketing of Hydrocarbons], as an instrument of the state, capable of developing a large infrastructure to benefit the national economy. This double event provides us the opportunity to survey assets and progress. It is also an opportunity to evaluate the situation today and to see how to adapt ourselves, to adapt the organization, and to redefine goals in terms of constraints, but also in terms of the hopes that each one places in the development of this sector.

It is an opportunity to pay homage to all the workers and managers who have directly or indirectly contributed to the creation of these assets. If we want to talk about the future, the current national and international situation must be scientifically and objectively analyzed. Developments in oil markets have been very great. These markets have been stood on their heads.

New actors have appeared, organizations have been restructured, forms of commercial transactions have come into existence and developed at a very rapid rate...all this leads us to adapt our national tool, Sonatrach, and the enterprises which contribute to the production of hydrocarbons.

Likewise, there are laws in Algeria which create a new context allowing economic actors to make better use of national potential. These laws on the autonomy of enterprises authorize the latter to organize themselves in terms of their daily tasks and chosen goals and allow them to fit their actions to the resources made available to them.

All this leads the sector to reflect on its organization, the objective being to provide the country with public companies able to exploit all potential and all development opportunities.

To do this, we must make an strenuous effort to not live solely on our past and consume our assets. We must constantly launch development projects that mobilize us. Moreover, to fight stagnation, the only salvation for an economic sector is development. For the energy sector, that means industrial projects: they can be new GNL [unsure of expansion—natural gas?] factories, gas pipelines, regeneration stations, petrochemical plants, exploration projects, networks of collectors, and so on.

[EL MOUDJAHID] The Algeria of 1989 is undergoing profound transformations. How, Mr Minister, is the social dialog perceived in your sector?



[M. Boussena] In the energy sector, there is a tradition of dialog between the different partners. Workers in this sector have traditionally shown very great maturity and responsibility. We think that now, in light of political adaptations, this dialog and concerted effort will be strengthened in the service of a common responsibility to preserve and develop this tool. History has shown that each time workers and managers have been called upon, they have been there to take charge, in one form or another, of different problems. Our method, the one recommended, is ongoing dialog, cooperation, and definition of each one's responsibilities.

[EL MOUDJAHID] With the new government, Algerian economic policy aims to effectively fight unemployment and underemployment. How will your sector contribute to this?

[M. Boussena] It is clear that in the government's program, and this was expressed in the 1989 annual plan, there is a commitment to restarting economic development by launching industrial projects. Within this framework, there is a list of priority projects, with the goal of giving a push to investment in the energy sector by making it even more dynamic than in the past. All this will, of course, have repercussions on production and the creation of jobs.

Through this renewal of projects in the sector, the goal is to:

- 1) Increase the country's foreign exchange revenues;
- 2) Produce goods that are imported (petrochemistry, plastics, etc.)
- 3) Equip the country with a heavy-duty energy infrastructure, for a modern economy;
- 4) Create jobs to vitalize government policy in the matter.

We know that the energy sector is not the only creator of jobs. It is highly capital intensive, but when projects in the sector are initiated, a whole series of work sites are created (civil engineering). It's the spin-off effect.

Moreover, we have in our country degreed job-seekers (engineers, economists, lawyers, etc.) Our sector is making efforts to create jobs for this kind of job-seeker, whose numbers on the market are growing, and in whom the country has invested a lot. What's more, an effort at internal training within companies is being made. Annually 10,000 people are being trained in continuing education [programs] and long and short internships.... Here also, there is investment in all kinds of disciplines.

[EL MOUDJAHID] The national economic system is compelled to make a qualitative leap, which will require, most notably, increased integration. How does this situation stand, Mr Minister, in your sector?

[M. Boussena] We've made progress in this area compared to 15 or 20 years ago. When an industrial project is initiated today, it is not a simple factory that we purchase fully assembled. More and more, we have nationals who contribute directly to the realization of the tool. Very often integration rates of 60 to 70 percent are achieved. In many examples, the only thing acquired abroad is the core of the installations, which are not yet manufactured in Algeria. In constantly seeking integration, our course is twofold: not only do we seek to manufacture more petrochemical, fertilizer, plastic and chemical products, but at the same time we are trying to equip our country with tools for learning to replicate certain operations and acquire technology.

It is not an easy thing. Despite all the efforts made, there is a lot to be done. The accumulation of know-how in this area is vital. Not only for the strict demands of the national economy, but to expand the range of our exports. Indeed, we have not ruled out the possibility in the future of exporting services in the oil and gas industries to other countries. In this regard, we are thinking of Africa and especially Magreb, which, thanks to the new political development, offers our sector some very valuable opportunities.

But to do this we must adapt, acquire modern management methods, and reach the point where others have confidence in our business people. In this regard, thanks to the autonomy of companies, there will be new developments in the sector which will materialize starting in 1989 with the creation of subsidiaries.

[EL MOUDJAHID] The policy of exploration seems increasingly to be a major preoccupation of your sector. What is the status of this, Mr Minister?

[M. Boussena] It is clear that our country has been insufficiently explored. According to the experts, the geologists, there are also many possibilities. We are trying to make an effort in this area, not only relying on our own means, by developing the SONATRACH tool and all the companies contributing to exploration, but also by calling on foreign companies, as the August, 1986 law allows.

We have some positive results to show for it: three relatively interesting discoveries were made in the last few months. One for oil and two for gas, which boost the country's reserves in hydrocarbons. But however great the efforts made by Sonatrach, they will remain inadequate, for it is a costly area requiring know-how and very modern tools; each year we spend the equivalent of 1.5 billion dinars for exploration, for our own efforts. That is why the law provides an organizational framework for and allows recourse to foreign companies, which are willing to take risks to discover hydrocarbons from which, within the framework of the law, Sonatrach could just as well profit as the partner.

We have conducted a campaign, which has already resulted in the signing of four contracts. We are negotiating with other companies from many countries and in the coming months other exploration contracts will be hammered out.

True, we will certainly not discover any more Hassi-Messaouds or Hassi-R'mels, but there are many large or substantial deposits which, given current hydrocarbon prices, are largely profitable.

The efforts to be made will also allow us to move beyond the known regions. We are going to take a little more interest in the west of the country and the center of the Sahara. More efforts in these regions will be instigated. Discoveries made in the Adrar region will allow us to push our exploration and research effort to the Bechar region.

## BAHRAIN

### Rise in Oil Sales Forecast

44000359a Muscat *TIMES OF OMAN* in English  
16 Feb 89 p 17

[Text] Workers at Bahrain's Gulf Petrochemical Industries Company (GPIC) were given a big pat on the back recently for helping the plant make its first profit of BD4 million.

GPIC's 350 employees were congratulated by the management for their 1988 performance, which led to record sales of BD45 million, a 48 percent rise on the previous year.

Production also reached a new peak, at almost 376,000 tonnes of ammonia and 396,000 tonnes of methanol, which was 17 percent above the Sitrah plant's design capacity.

Managing director Nasir al-Sayyari said the company's BD17 million operating profit had allowed it to start repaying bank loans sooner than expected.

After finance charges and depreciation, net income was BD4 million.

### Petrochemicals Sales Registered Record

44000359b Muscat *TIMES OF OMAN* in English  
16 Feb 89 p 17

[Text] Bahrain's net oil sales for 1989 are estimated at BD200,48 million and this figure is expected to slightly rise to BD205,318 million next year, the local AL-ADWA' reported.

Out of this amount BD73,609 million would come from Bahrain Field and this figure may rise to BD78,087 million in 1990. Abu-Safa Field would yield BD127,231 million without any likely increase in 1990.

The previous estimates, which were included in the state's budget forecast revenues, were based on a predicted \$12 to \$15 per barrel price. But there are strong signs that oil revenues would top BD495 million during the two-year budget period (1989-90) due to the improving oil prices which are now nearing \$20 per barrel. At worst, oil prices are expected to firm around \$18 per barrel, and this will boost the government's oil sales to exceed those included in the budget's estimated figure.

## EGYPT

### AL-AHRAM on End of 'Campaign of Rumors'

JN2703093389 Cairo *AL-AHRAM* in Arabic  
25 Mar 89 p 7

[Editorial: "The End of a Campaign"]

[Text] The U.S. State Department spokesman has announced the closure of the file of accusations against Egypt over its potential ability to manufacture chemical weapons following the tendentious media campaign of rumors that alleged the presence of a factory in this connection in Abu-Za'bal. This campaign was shattered by one statement by President Mubarak during his European tour when he wondered how there can be such a factory directly next to another one belonging to a firm for U.S. products. He added: Would it not have been easier for Egypt, if it had the intention to produce such weapons, to build the factory in a remote place?

This answer removes all doubts, but the impression left by the naive media campaign is that it is a failed attempt to jam the president's European tour. Egypt has been subjected to many suspect campaigns prepared for launch on certain occasions. All these campaigns have ended in fiasco because of the fabrications and lies that have accompanied them, turning them into something like a stab in the air.

However, the question that poses itself in this particular case is: If some quarters have launched this evil, baseless campaign with the aim of infusing the atmosphere with lies and doubts, how have they so far failed to raise the issue of the nuclear weapons possessed by Israel, for example? Facts can support any honorable and credible campaign in this regard. If Egypt is a signatory to the treaty for the nonproliferation of chemical weapons, why should it become the target of a false campaign, while Israel's possession of nuclear weapons has not become the target of a true campaign, given that Israel has so far not joined the treaty for the nonproliferation of nuclear weapons?

Egypt will not be harmed by such lies, the like of which ended previously like bubbles in the air, even without Egypt's intervention. Egypt believes that the trifles of these campaigns will harm nobody but those who launch them. Egypt, by everybody's testimony, is committed to its declared policy of peace and development locally, regionally, and internationally. Egypt has only one face.

Egypt does only what it says, sincerely and honestly. Therefore, it is respected by the governments and unbiased public opinion in the United States and the entire world.

**Minister on U.S. Aid, Other Issues**

*JN2403112489 Cairo AL-AHRAM in Arabic*  
22 Mar 89 p 9

[By Najla' Dhikra]

[Text] In press statements the day before yesterday, Dr Maurice Makramallah, minister of state for international cooperation, affirmed the strong, effective relations of cooperation between Egypt and the United States, stressing the two countries' care for supporting these relations to achieve common interests.

He pointed out that since 1975, the U.S. aid program to Egypt has contributed to the entrenchment of the bases of joint cooperation to serve the issues of peace and development in the region. These statements were made after signing a \$75-million loan agreement between Egypt and the United States to finance some Egyptian imports of wheat, flour, and vegetable oils as part of the U.S. aid program to Egypt.

Commenting on what was recently raised in the U.S. Congress regarding the cash remittances allocated for Egypt as part of the U.S. aid program estimated at \$230 million during 1988-89, Dr Maurice Makramallah pointed to the assertion by Mr Alan Woods, director of the U.S. Agency for International Development [USAID], during the Congressional debate on 17 March, to the effect that what had been published in the news media on this topic was inaccurate and that USAID does not intend to suspend its economic aid programs to Egypt. Moreover, USAID does not link U.S. aid to reaching an agreement with the IMF on the economic reform measures, he added.

Dr Maurice Makramallah said Mr Woods' statements in Congressional meetings affirmed that an agreement with the IMF had never been a condition for releasing part of the U.S. aid in the form of cash remittances, because this, in itself, is against U.S. law. The minister of state for international cooperation pointed out that the USAID director's statements were clear regarding the validity of disbursing the cash remittances for 1988-89, estimated at \$230 million, until the end of September 1989. If these sums have not been disbursed by that date, they will be allocated for development projects in Egypt. Dr Maurice pointed out that Mr Woods' statements reaffirmed that the USAID is not considering a halt to the cash remittances for Egypt.

Regarding the voices in the U.S. Congress calling for the linking of cash remittances to Egypt with the economic reform programs, Dr Maurice Makramallah indicated that there are strong voices in Congress supporting Egypt's stand. In this regard, he referred to statements by

Republican Senator Robert Kasten during a congressional hearing about U.S. foreign aid for 1990 stressing his strong and continued support for Egypt. He indicated that the United States extends aid to Egypt basically because it is a force promoting peace in the Middle East and this is a good reason to continue and increase such aid. He also stressed that the United States should take into consideration the dangers to which Egypt might be exposed if it expedites the economic reform programs requested by the IMF. Dr Makramallah added that these statements reflect a U.S. desire to cooperate with Egypt.

Regarding President Mubarak's recent tour of Europe, the minister stressed that the results of the tour were more than positive and will lead to increasing cooperation between Egypt and the EC. The tour, he added, also helped clarify Egypt's economic situation and its accomplishments over the past years. He added that at least 10 of the 12 EEC states fully sympathize with Egypt and understand its position. He stressed that Europe is eager to support the developing countries, and this will reflect on the European states' stand toward the developing countries' debts when an EEC meeting is held in Paris in July to adopt a unified decision on how to deal with the debts of the less developed countries.

He stressed that Egypt held a positive dialogue with the European Investment Bank in Belgium to increase aid to Egypt. An important dialogue was also held with [West] Germany to increase German aid and help in the development process in Egypt. This will have a positive impact on April preliminary meetings between Egypt and Germany.

**Opposition Party Leaders Praise Arab Cooperation Council**

*45040241A London AL-DUSTUR in Arabic*  
6 Mar 89 pp 12, 13

[Article by Tal'at Isma'il: "Cairo after Signing of Arab Cooperation Council Pact: One Step on Road to Comprehensive Unity"]

[Text] Ever since the moment when the Arab Cooperation Council [ACC] Pact was signed last 16 February, Egyptians, who heard the news when they saw a simultaneous telecast of the event on television, have been expressing their joy with this major Arab event. The ACC, which includes Iraq, Egypt, Jordan and the Yemen Arab Republic, is considered by all groups of Egyptians and political parties in Egypt a step toward comprehensive Arab unity. Egyptian political forces, in the government and in the opposition as well, are in agreement: all of them welcome this new national entity and support it.

The secretariat of the ruling National Party in Cairo announced that the declaration of the ACC was the culmination of cooperation, consultation and continuous coordination between the leaders of the four countries that are members of the ACC. The four countries

have been working together for the purpose of supporting Arab causes and achieving a uniform Arab position worldwide. The secretariat of the ruling party affirmed in its meeting that the Egyptian masses, who believe in the strategic objectives of an Arab nation that extends from the ocean to the gulf, are giving this historic announcement their blessing.

### Positive Steps

At the Socialist Labor Party Ibrahim Shukri, president of the party and leader of the parliamentary opposition in Egypt declared that he was delighted with the establishment of the ACC. He stated that this ACC formation had not developed in a vacuum and that positive steps had been taken prior to the announcement. The bilateral agreements between Egypt and the ACC countries were among those steps. Speaking of the future of the four-member ACC, Ibrahim Shukri stated that the ACC could give the four nations that are members of the council an economic shot in the arm which would be felt by every citizen in those countries. He also stated that the new council had the ability to take action, to produce, and to move capital between the countries that are members of the council. The leader of the Egyptian opposition added that he hoped the fraternal country of Sudan would join this council in the future. Should that happen, the ACC would become an important focal point in the middle of the Arab homeland between the countries of the Arab Maghreb and the GCC [Gulf Cooperation Council] countries. "I would hope that the influence of this four-member council would extend to the peoples of the Arab nation and benefit them. I would hope that benefits would not be limited to the four member countries but that these benefits would expand into cooperation with all the Arab countries through the charter of the Arab League."

Ibrahim Shukri believes that announcing the establishment of the ACC is tantamount to a serious step which has been taken to bring about the economic cooperation called for by the Arab League Charter. Economic cooperation has been one of the goals sought by the Arab League to drive the Arab nations to Arab unity.

Ahmad Mujahid, vice president of the Labor party, considers the ACC "a step toward more comprehensive Arab integration because in their comments on the establishment of this league, the leaders of the four countries declared that the ACC was not an alliance against anyone." And yet Mujahid believes that besides its economic implications, this council also has defensive, military implications. Iraq is located to the east, and Yemen, Egypt and Jordan are located at both ends of the Red Sea. These locations have some military significance against the enemies of the Arab nation. "That is why we are hoping that this council will grow to the east or the west to include the rest of the Arab nation. Such growth would be a step toward economic unity, which is considered the solid foundation for comprehensive political unity."

### A Step for Arab Interests

Within the National Progressive Unionist Grouping Party [NPUG], the party's secretary general Khalid Muhyi-al-Din declared that the NPUG supported the principle of Arabs banding together and uniting. "We are a pro-unity, socialist party, and any development of the common Arab economy is something that we hope will serve the interests of Arab peoples, particularly since we see that countries are forming blocs at the present time because they are unable to live by themselves. The Gulf countries have a cooperation council, and the countries of the Arab Maghreb have theirs. The heart of the Arab world, which is open to other Arab countries, needed such an association. We hope that everyone will be successful in his efforts to achieve independent development which could reduce economic dependence on other countries." The president of the NPUG added that if such cooperation pacts are taken seriously, he was certain that we could achieve that independent development. "Although we in the NPUG will be studying the documents of the ACC in the coming days, we do in principle approve of every Arab association that realizes the interests of Arab countries."

Dr Fu'ad Mursi, one of the leaders of the NPUG says, "The new movement of Arabs banding together is considered a response to what may be called political realism, in so far as the response does not yield to the negative aspects of this reality. That is why there are no objections at the present time to the establishment of such Arab councils. What we had in the past among the Arabs was characterized by fragmentation and disintegration. There was more emphasis on regionalism and less emphasis on Arab nationalism. Now, however, Arab nationalism is being revived in a manner which is being seen as a step that will effect a shift from conditions that are purely regional to conditions which could bring us one step closer to universal conditions for Arab nationalism."

### The ACC Group and the Common Market

At its recently held meeting the permanent board of the Liberal Party expressed its total support for the four-member economic association between Iraq, Egypt, Jordan and the Yemen Arab Republic. The board emphasized the need to mobilize the people to stand behind the new entity. To ensure its survival and its success as the beginning of an Arab economic association modeled after Europe's Common Market, the permanent board of the Liberal Party emphasized that the ACC should not be limited to official government relations.

Mustafa Kamil Murad, the Liberal Party's president, described the ACC as the first successful step to be taken toward [the establishment of] an Arab common market. Such a market is considered the material foundation for the establishment of political unity between the Arab countries. Mr Murad added, "Permitting all Arab groups to join this association and permitting them to have all

the rights of the founding countries would be considered a main factor in the success and expansion of this association of the four cooperating members."

The president of the Liberal Party said that the cooperation which was announced between the four Arab countries could realize the best possible results for the group of cooperating countries if it is backed and reinforced by cooperation among the people in the member countries. Cooperation between the chambers of commerce and industry, for example, between cooperative associations, and between women's and young people's associations would give all people a sense of this cooperation. They can then work together for the success of this Arab economic association.

#### **A More Inclusive Nucleus for Rapprochement**

Within the Wafd Party, Dr Nu'man Rajab, vice president of the party, welcomed the ACC and described the Arab group as a nucleus for a more inclusive Arab rapprochement that would include all the Arab people in a political, economic and cultural unity. He added emphatically that any agreement or rapprochement between the Arab peoples had to be encouraged.

The vice president of the Wafd Party called for the removal of economic obstacles between the Arab countries so that political unity can become easier at a later date.

Dr Husam 'Isa, member of the general secretariat of the Nasirist Arab Socialist Party wished the new Arab economic group success. He added that the ACC would be considered a successful economic group if it is studied with care and deliberation. At the same time Dr 'Isa thinks that, besides being an economic association, the four-member council gives countries that have been kept out of other associations a political incentive.

Dr Husam 'Isa adds, "The establishment of any economic association or the expansion of a market's scope is considered essential to the establishment of advanced industries, the creation of better conditions for negotiating with foreign countries, and the improvement of foreign relations among the countries of the association."

Dr Muhammad Mahmud al-Imam, member of the Nasirist Party's secretariat and former minister of planning, believes the success of the four-member association will be determined by its management. The association must leave the door open to everyone, including other Arab associations like the GCC and the Arab Maghreb Association, so that they can come closer together. Such a rapprochement would give these associations economic elements that are more far-reaching, and the problems they would have would be less significant.

#### **Workers Declare Support for ACC**

If we were to set aside the pleasure with which Egyptian parties welcomed the establishment of the ACC, and turn our attention to the unions' position, especially that of the Federation of Egypt's Labor Unions, the largest association of workers in Egypt, we would find that the unions' position was no different from that of political parties. In a statement issued on behalf of the federation, Ahmad al-'Amawi, president of Egypt's Federation of Labor Unions, declared his support for the establishment of the ACC. The statement indicated that signing the agreement to establish the ACC was considered a significant and a proper start for strengthening Arab cooperation and integration as well as economic prosperity. It was also an objective and a proper step that was taken to move closer to the Arab unity that is being sought.

The statement affirmed that the ACC constituted an addition to Arab economic capabilities, and it added that Egypt's workers will make every sincere effort to coordinate their activities and work closely with their brothers in the labor unions of the other countries that are members of the ACC to support this Arab entity and its projects. Egypt's workers will continue their efforts until the ACC's goals are achieved and the work of the ACC itself bears fruit.

There was widespread joy in Egypt's governorates where the masses reacted with great joy at the news that the ACC has been established. At the same time governors received workers' and people's delegations who met with governorate officials and expressed to them their support for and their pleasure with the establishment of the ACC. Members of these delegations felt that establishment of the ACC was considered a step toward comprehensive Arab unity.

#### **Muslim Brotherhood Deputies Demand Government Concessions**

*45040246 Cairo LIWA' AL-ISLAM in Arabic  
7 Feb 89 pp 28-31*

[Article: "Muslim Brotherhood Deputies Respond to Government Statement; We Demand Freedom To Publish Papers and Form Parties; Detained Politicians Continue To Be Tortured; Solution Must Be Found for Depositors in Investment Companies"]

[Text] The People's Assembly sessions held recently to respond to the government statement witnessed serious participation by the Muslim Brotherhood deputies. In their response to the government statement, the deputies touched on numerous issues that affect the country's interests and the masses' problems. They demanded that the doors be opened to all the people's factions to participate in decisionmaking and following through with those decisions. They also demanded the freedom to publish newspapers and form parties. They criticized

the continuation of the emergency law and of the collective punishment system applied by the police agencies, the disregard for the judiciary's decisions, and continued torture in jails and detention camps. The deputies further demanded that a solution be found for the problems of depositors in investment companies and that serious companies be permitted to resume their activities and be enabled to disburse money owed to their depositors. This report deals with some aspects of the issues raised by the brotherhood deputies in their response to the government statement.

Responding to the government statement, Counselor Muhammad al-Ma'mun al-Hudaybi said that there exists a degree of democracy for which we are eager and to which we cling. We work to underline and develop this democracy so that the citizens' rights may be made complete. It is important to underline democracy in action. We had wished that application would be compatible with constitutional provisions and with that which paves the way for the practice of true democracy. But very regrettably, we see this degree of democracy collapsing under the blows of numerous demolition axes assaulting this democracy and working to complicate it.

If the constitution is not observed, if the judicial authorities do not enjoy definite independence, and if they are not respected by the executive authorities, then people cannot trust the regime. If free press and the freedom of publishing papers and forming parties do not exist in the proper degree to ensure true democracy, then this democracy is immature.

Counselor al-Hudaybi added, "I find it my duty to repeatedly stress that torture continues to be practiced in the general intelligence prison cells in the heart of Cairo. Honorable and righteous people who have committed no offense are tortured there."

Pointing out the arrest of Engineer Muhammad al-Sarawi, a member of the Engineers Union, al-Hudaybi said, "Manacled and blindfolded, al-Sarawi was kept in jail for 3 days without clothing or food so that he might be asked where Ma'mun al-Hudaybi got the money to finance the costs of his election campaign.

"Regrettably, this system is still in force. This is disgraceful." Al-Hudaybi added: "I do not conceal any of my actions. For others to be thrown into jail, tortured and asked about me or about some other matters, then this is a strange principle that flouts the concept of democracy."

Counselor al-Hudaybi denounced the system adopted by the security agencies in dealing with the People's Assembly members, especially with the opposition members, upon their return from trips abroad when they are intentionally and openly humiliated and insulted. He said that the purpose is not so much to preserve security

as to insult these members and that a member may be subjugated to all kinds of humiliation without any regard for his dignity or his immunity.

Al-Hudaybi then proceeded to talk about the phenomenon of violation of the judiciary's decisions, saying that such violation continues to be a slap openly and constantly aimed at our judiciary's face. Despite the numerous not-guilty and release decisions issued by the judiciary, the minister of interior has issued decrees for the arrest of those declared innocent.

So what role do the consultation chamber and the appeals judges have? How can people trust the judiciary after all this? These are very serious matters that fundamentally destroy democracy and its mainstays.

#### **Is the Police Force a Civil or a Military Agency?**

Counselor al-Hudaybi then touched on the policeman's role, noting that the constitution states that the police force is a civil agency. Regrettably, it is run, so far, as if it were a military agency. We demand freedom and respect for the constitution and the law. We want to underline the policeman's dignity and want to protect him. We want policemen to have a clear conscience. We want society to view policemen with greater respect, appreciation, and cordiality. We don't want the relationship between the two sides to be one of tyranny and suppression but one of friendship and compassion.

Regarding the parties committee, al-Hudaybi said that with its decision this committee has placed a wreath of disgrace on Egypt's head. He added, "This committee has no legal existence, because it was abolished and is not in compliance with the laws passed by this assembly."

Al-Hudaybi then talked about investment companies, noting that some companies have presented their budgets and that auditors assigned by the central accounting agency have submitted reports stressing that the position of these companies is sound and that the companies have not acted in violation of the law or of their trust. So why should all suffer from the disaster, and what offense have the depositors committed? Why don't we make efforts to enable people to collect payments due to them, instead of allowing this situation to continue?

We want a wise policy that takes the people's interest into consideration.

#### **Unifying Election Systems and Opening Doors for Participation in Decisionmaking**

In his address, Sayf-al-Islam Hasan-al-Banna demanded the granting of liberties, saying: "If democracy is all good, then why don't we open the doors for all to participate in decisionmaking, thus insuring that all will abide by the decisions that are made and will implement them?" On the occasion of the dissolution of the Consultative Council, al-Banna reiterated the opposition's

demands concerning the election process and asked that all phases of the process be entrusted to a judiciary authority, that the voter lists be amended according to reality, that the emergency law be lifted during elections, that the election systems be unified, and that electoral districts be divided objectively, not on the basis of special interests. He said that sincere intentions and good will will encourage people to participate in elections and to believe that change comes through a framework of legitimacy and not through violence.

Al-Banna criticized denial of the citizens' freedom of assembly, saying that this right is guaranteed by the constitution. Individuals, even People's Assembly members, are denied this freedom. He said that he was prevented from delivering an address at 'Ayn Shams University's law college and that the security people disregarded the entry permit he had been given by the college dean. He wondered: "Where, then, is the university's independence?"

Al-Banna then proceeded to talk about extremism, noting that extremism cannot be fought with terrorism or with bombs or by making accusations against the Islamic groups. This policy is the root cause of extremism. A solution can be achieved only through national reconciliation, through abolition of the policy of torture and through restoring the Islamic groups.

He wondered: "What would happen if the Islamic shari'ah were applied and if alcohol were banned? The people rejoiced when President Mubarak went to al-Azhar and met with the 'ulama' during a ceremony to honor people who had memorized the honorable Koran.

"This people has a great message and mission. We must apply the Islamic shari'ah so that we may foster the Muslim citizen, home, and society and so that we may establish a virtuous society that may not be superior in technology, but that will be superior in cultural relations among peoples."

Dr Muhammad Habib then delivered an address in which he touched on educational policy, saying: "If the minister of education is talking about what he calls integrated knowledge, then I propose the concept of integrated morals and behavior. This is essential for any nation's cultural makeup. What is needed is not just integrated knowledge. I propose that a programmed national campaign be launched by the media, the Ministry of Education, and al-Azhar to ignite the spirit of sacrifice, redemption, gallantry, and bravery so as to arouse the people's ambition and to stir in them the spirit of resolve, redemption, and struggle."

Dr Habib added: "Relying on loans and debts will not solve any problem and will not enable the people to rise from their stumbling and to awaken from their slumber. This is the challenge. The regime in its entirety must accept the challenge and must move along two parallel lines in the campaign to overcome the obstacles and to

eliminate red tape and mismanagement—this terrible cancer that is stretching its tentacles to all government agencies, paralyzing their activity, obstructing their progress, and squandering their energies and their performance."

He then touched on the violence phenomenon, saying: "We denounce violence and terrorism, whatever their source and regardless of whether it is the state or individuals. When a violation is committed by individuals, the state, with its might, can correct such violation and can impose deterrent penalties. But when the state commits excesses and engages in violence and terrorism, then who can restore the rights, and who does the punishing? Violence begets nothing but violence and flouting man's dignity can only breed malice, hatred, and the ever-present readiness to shed blood. The political leadership must reconsider its security policy and must set things right instead of resorting to indiscriminate arrests and abnormal practices, along with the torture and the disregard for human dignity that accompany such practices in jails."

Dr Habib wondered: "Where are the serious steps that the government should be taking to create the climate for applying God's law and for stopping every man and every agency where they should be stopped?"

In his address, Dr 'Isam al-'Aryan also raised this issue, saying that martyred Imam Hasan al-Banna established a golden rule when he said, "We should not proclaim as infidel a Muslim who professes the two creeds and who acts in accordance with them, unless he denies a well-known religious principle or commits an act that can only be interpreted as an infidelity" and "we should cooperate in what we agree upon and should excuse each other for what we disagree upon." This concept was reaffirmed by Counselor Hasan al-Hudaybi, al-Banna's successor as the brotherhood's grand master, who published a study called "Preachers, not Judges." In this study, al-Hudaybi pointed out that the Muslim's duty is to preach the faith and not judge the faith and beliefs of others or to categorize them as believers or infidels. The late al-Hudaybi thus averted a widespread sedition which could have emanated from torture in jails. This concept was reaffirmed practically by 'Umar al-Talmasani, our departed grand master, and everybody has attested to this fact. Muhammad Hamid Abu-al-Nasr, our current grand master, follows the same line and same policy. This blessed call continues to tackle such ideas with wisdom and gentle words.

#### Return of Brotherhood Group

Dr al-'Aryan wondered: "Why isn't the brotherhood given the opportunity to exist legally, and why aren't its monies and symbols returned to it so that it may play its role, perform its message and confront the alien ideas that have invaded the minds of the youth as a result of the absence of these sincere efforts?"

Dr al-'Aryan criticized the government policy, which indulges in promises and which has lost the people's trust, because it is not applied. The country is suffering from terrible economic stagnation, from numerous bankruptcies and from idle capacities.

#### **Confusion in Laws**

Mahfuz Hilmi criticized the policy of confused laws and decrees that obstruct all aspects of life, saying that this policy is the reason for our backwardness. As an example, he cited the decisions to increase thread prices, which resulted in closing 750 mills in al-Mahallah and which only 50 factories abided by.

He also criticized the government decisions on government-owned rental land [ard al-hikr] where a large number of citizens have been living for hundreds of years and where the rent has been increased. He said: "I hope that the government will correct the situation and will provide an answer as to the reason for this increase."

Hilmi added: "It is surprising that these decisions have been made in the wake of the decision to raise bread prices, which overburden the ordinary family's budget."

#### **Al-Mahallah Workers and Overburdened Hearts**

Deputy Mahfuz Hilmi asked: "What has happened as a result of this suffering which makes life difficult both at home and at the workplace? The president of the Republic and the People's Assembly speaker emphasized that democracy will be firmly established. However, this was stated after the announcement that that school grants would not be given. As a result, some workers in al-Mahallah textile mill moved to demand that the grant be disbursed. Consequently, the mill was closed for 3 days. I ask: 'Who is responsible for this decision at a time when we call for increased production?' A large number of workers were detained and then released on a court order. But some of these workers were arrested for so-called security reasons and were then released after a while. However, the minister of industry issued 10 decisions providing for the transfer of workers to the remotest parts of Upper Egypt."

Hilmi added: "I am sounding the alarm. Strikes were staged recently and at an earlier period, but posed no close or remote threat. However, the hearts are now charged and I hold the decisionmaker responsible and I tell him: 'You are fighting democracy and labor. The central security incidents are not far from the mind.' Therefore, I beg the government to correct this situation immediately."

Deputy Hasan al-Jamal also spoke, raising the issue of the usurped religious trust lands and funds and demanding that they be returned because the mosques need them and so that the 'ulama' may be able to perform their role in a good climate. He also spoke of the phenomenon of usurpation of state land, which goes on all the time

without any deterrent. He said: "The government is responsible for these lands, which are being stolen at a time when the citizens can find no land on which to build economy housing."

Bani Suwayf Deputy Yasin 'Abd-al-'Alim also spoke, stressing the need to reconsider Egypt's crop structure and the cooperative marketing policy governing the cotton crop in particular. He urged the government to take the farmer into consideration, to give him his rights, and to settle the relationship between landlord and tenant in a manner that guarantees both parties' interests.

He also stressed the need to emphasize the ideological aspect of education so that the Egyptian citizen may be raised in a sound faith.

Deputy Muhammad Qasim demanded that the people be given greater freedom and that they be allowed free expression, without restriction on any idea.

#### **Questions, Queries, Clarification Requests, Bills**

Deputy Muhammad Husayn submitted to the minister of public works and water resources a request for a clarification on the pollution occurring in the Nile waters, on the plants and companies that discharge their wastes into the water without treatment, and on the Ministry of Health's use of certain types of pesticides to eliminate bilharzia snails while the Ministry of Irrigation uses another type, thus posing a threat to fish resources at a time when prices are rising.

He wondered about the precautions taken in this regard.

Deputy Husayn also submitted to the minister of industry a request for clarification on equipment valued at millions of dollars and stored in the open at Kafr al-Zayyat Complex and the Suez Training Complex since the project to develop vocational training activity was suspended.

He also questioned the minister of health on the breakdown of the artificial kidney machine in Zifti general hospital, about malnutrition in the hospital and about the unavailability of certain blood types at the hospital's blood bank.

He further questioned the minister about some medical equipment that has been out of order for 10 years at Biba Hospital and about the possibility of the outbreak of fires in the hospital as a result of the use of improper electrical connections.

Deputy Husayn also asked the minister of health to clarify the reasons for the extreme negligence and laxity at the Imbabah poliomyelitis institute and about the institute's malfunctioning elevator and poor service.



Deputy Mahfuz Hilmi asked the minister of industry about the reasons for the increased thread prices, which hurt the private sector factories to the point where many of them had to shut down at this critical time, thus saddling banks with the loss of loans they had advanced to these factories.

Deputy Hilmi also asked the prime minister and the minister of industry about the reasons for delaying the debate on the position of the failing public sector companies and on the volume of their loss. He asked: "To how many billions have the final losses amounted in a single year, how much has the government paid to enable some losing companies to continue operating, and until when will this situation continue?"

Hilmi addressed another question to the minister of interior about the reasons which motivated the central security forces and the state security intelligence forces to storm Adam Mosque and to arrest a number of citizens before the dawn prayers. He further inquired as to why the security forces destroyed a number of shops in 'Ayn Shams market and how long the violation of God's houses and the failure to observe their sanctity will continue.

#### Annexing Private Mosques

Deputy Hasan al-Jamal asked the minister of religious trusts anew about the reasons which recently motivated the ministry to annex a number of private mosques even though these mosques have all the needed resources, including preachers, imams, and supervisors from the associations to which these mosques belong. He inquired about the number of mosques annexed and about the rules followed by the ministry in annexing them.

He also asked the minister of social insurance and social affairs about a sum of 5 million pounds collected by the shari'ah association in donations for the Afghan Mujahidun. He said that this sum is still held in the banks and has not been remitted, even though 5 years have passed since it was collected. He asked what the reasons were for holding the Egyptians' donations to the Afghan Mujahidun in Egyptian banks and for failing to remit them to the people concerned?

He further asked the minister of tourism if he knows whether Israeli tourists come for tourism or for espionage, keeping in mind that they are always spying on us everywhere and that they do not spend a single penny. They are, in fact, intelligence people and not tourists.

So what steps is the government taking?

#### Shari'ah Laws

Deputy Hasan al-Jamal also proposed 6 bills:

1. Proposal for a bill to amend Law 112 of 1980 promulgating the comprehensive social system law.

2. Amendment of the provisions of Law 108 of 1976 governing social security for businessmen and their like.
3. A law to ban alcohol and to establish the shari'ah penalty for drinking.
4. A law to apply the shari'ah penalty for robbery.
5. A law to apply the shari'ah penalty for apostasy.
6. A bill to amend the provisions of Law 30 of 1977.

#### Sayf Al-Banna: Who Protects People If Intelligence Agency Swerves?

The government has submitted to the current assembly session a bill to amend some provisions of Law 100 of 1971 which governs general intelligence. This bill was drafted by a joint defense and national security committee. The bill was deposited in the members' boxes at 1200 to be discussed in the evening session of that same day.

During the debate, Deputy Sayf-al-Islam Hasan-al-Banna wondered: "Are these few hours enough to debate an issue as important as this one? Is this a slight to the issue to be discussed or a slight to us so that we may not be able to study the issue thoroughly and may not be able to contribute constructively and effectively to this country's good?"

Al-Banna noted that this is a very serious matter, that it is the state's backbone and that it should be tackled with extraordinary care. The phenomenon to be tackled is not the phenomenon of a secret leaked or of some articles published recently. The phenomenon is much greater, namely that the Egyptian general intelligence agency under the administration of President Jamal 'Abd-al-Nasir, may God have mercy upon him, swerved from some of the original tasks which it was supposed to perform and caused dozens of citizens to lose their freedom. In his 30 March declaration, Jamal 'Abd-al-Nasir himself promised to correct those faulty conditions. He promised that we would return to the law and that everybody would adhere to implementing the law.

We want supremacy of the law. The first guarantee for this supremacy is the individual freedom. We, and the people in their entirety, have long suffered from this agency. If we want an amendment, then the amendment should be in the interest of the entire nation. The entire law should be amended. The amendment should not focus on one or two articles. The law is not amended because of a book published today or a book that may be published tomorrow. We must correct the entire agency, must define its powers, and we must know what it is doing and how it is doing it within the bounds of the law and the constitution. We must protect the agency's

employees from the tyranny of the agency's leadership, lest appointment to this agency come from a circle of trusted friends rather than nomination from the citizenry at large.

Al-Banna wondered: "Until when will the intelligence secrets be completely hidden from the people?" He noted that in all of the world's civilized countries, especially in Britain and the United States, any citizen can apply to the U.S. administration to obtain information in accordance with the Freedom of Information Act and that the intelligence agency supplies him with all the requested documents and information.

### **Unrest at Socialist Labor Party Conference**

*PM2003105289 Cairo AL-SHA'B in Arabic  
14 Mar 89 pp 1, 4*

[Unattributed report: "Unrest And Sabotage at Conference"]

[Text] This is the first time since the parties' dissolution after the July 1952 revolution that such a major and important party conference has been held. The 5th [Socialist] Labor Party [SLP] conference stressed the party's Islamic identity. The new executive committee elections reflected this new development.

With its new status, the SLP is now the party with the ability to constitute a real mass force. In his report to the conference [SLP leader] Ibrahim Shukri said that he supports the party's Islamic tendency with all his strength. He also said that he could not adopt a neutral position between the Islamic tendency and the advocates of secularism, and that if the executive committee elections at the conference showed no support for him in that direction, he would quit the party's leadership. It was clear that conference participants were in total accord with the party leader. This is why those supporting the SLP's true tendency have won all the executive committee seats. When Dr Zaynab Majid (professor at the Faculty of Medicine) wanted to quit her seat to ease the tension resulting from that farce, Shukri agreed to that noble act which represents utmost self-denial. As a result, Hamid Zaydan [was] replaced here in the committee on the party leader's recommendation.

In his political report, Shukri warned about the attempts by evil forces to undermine our victory. Events at the conference confirmed his prediction: There were successive attempts at sabotage and hooliganism, and had it not been for the vigilance of the young men responsible for maintaining order, the elections would have failed and bloodshed would have occurred. Despite all the lies and provocations, the party's former deputy leader, Ahmad Mujahid, told all conference delegates that the election procedures were completely sound (he lost, as is known.) Unfortunately, however, we read in AL-AKHBAR yesterday statements to the contrary attributed to him.

The general conference was preceded by extensive activities in the governorates, towns, and Cairo. On the eve of the elections, seminars were held at 11 hotels where conference delegates were staying. Party representatives expressed their views and revealed the sabotage activities of elements opposed to the party line.

### **Socialist Labor Party Elects New Executive**

*PM2003152289 Cairo AL-SHA'B in Arabic  
14 Mar 89 p 3*

[Unattributed report: "Winners List"]

[Text] The overwhelming majority of the winners represent the [Socialist] Labor Party's [SLP] authentic tendency as expressed in [Party Leader] Ibrahim Shukri's report to the conference.

They are not just a group of intellectuals and thinkers, but men who we believe fulfill their commitments to God. They are strugglers who have their own distinguished nationalist history, experiences, and stances in the various areas of political action—an overwhelming majority who have come to support and manifest a new jihad phase in the party's history: a phase whose slogan is "comprehensive reform from an Islamic angle." They are:

Dr Muhammad Hilmi Murad, a former education minister and founder of the conference's slogan: 958 votes;

Muhammad Hasan Durrah, Arab Contractors Federation deputy chairman: 898 votes;

Majdi Ahmad Husayn, son of leader Ahmad Husayn, founder of Misr al-Fatah, and the paper's deputy chief editor: 774 votes;

Asmahan Ibrahim Shukri, who took responsibility for collecting relief donations for our brothers in the occupied territories and fraternal Sudan: 748 votes;

Dr Ibrahim Ja'fari, lecturer at the Education Faculty, al-Zaqaziq University: 733 votes;

'Adil Husayn, Islamic thinker and the paper's chief editor: 728 votes;

'Abd-al-Hamid Barakat, who led the party's two election campaigns for the People's Assembly in 1984 and 1987, though not a candidate himself: 711 votes;

Naji Al-Shihabi, member of the Teachers' Union, the Arab Organization for Human Rights, and the Supreme Council for Adult Education and Elimination of Illiteracy: 692 votes;

Dr Majdi Qurqur, lecturer at the Architectural Planning Institute and a structural engineering consultant: 674 votes;

Dr Ahmad 'Abd-al-Rahman, Ph.D. in ethics, who has attended numerous international conferences: 661 votes;

Dr Ahmad Shawqi, associate professor at the National Defense Faculty, who took part in the planning for the October war: 658 votes;

Lawyer Yusri Saru, a prominent student leader before graduating from the Law Faculty to practice law and confront the ruling party's violations in Sawhaj: 756 [as published] votes;

Muhammad Mutawalli 'Awad, a Misr al-Fatah leader, comrade of Ahmad Husayn, and a former lecturer at the Imam College, Saudi Arabia: 647 votes;

'Umar al-Zir, People's Assembly member and the al-Jizah Governorate's Public Relations director: 642 votes;

'Abdallah Hilal, Ph.D. in nuclear physics from the United States and an SLP Youth Union leader: 638 votes;

Al-Sayyid al-Ghadban, senior broadcaster and owner of the Apollo House for Publication and Distribution: 629 votes;

Abu-al-Futuh 'Ali Kamal al-Din, director of the Agricultural Cooperation Department, Sawhaj: 629 votes;

Ibrahim al-Ziyadi, a lawyer from Misr al-Fatah's first generation and an SLP founder: 628 votes;

Ahmad Hasan, a prominent student leader during his university studies at the Law Faculty, Cairo University: 623 votes;

Dr Salah 'Abd-al-Muta'al, adviser to the National Council for Social and Criminal Research: 613 votes;

Dr Ahmad al-Mahdi, professor of curricula and teaching methods at 'Ayn Shams University and chief editor of the AL-MANAHIJ magazine: 611 votes;

Ibrahim al-'Azzazi, former People's Assembly member, who confronted al-Sadat's onslaughts in defense of the party and accompanied Ibrahim Shukri on his famous tour of Beirut in support of our Palestinian brothers under siege: 604 votes;

Yusuf Kamal, cassation lawyer since 1976, with a distinguished political background: 604 votes.

Dr Sayyid Dusuqi, head of Cairo University Aviation Engineering Department: 581 votes;

Dr Salah 'Abdallah, People's Assembly member, who headed the medical team that went to Beirut to treat the wounded during the famous Beirut siege of 1984: 557 votes;

Fayiz Muhammad 'Ali, a son of Misr al-Fatah and a cassation lawyer since 1952: 541 votes;

'Abd-al-Hakim al-Shafi'i, director of Nasir education Department, Bani Suwayf: 536 votes;

Hamdi al-Sa'id, director of Tal'at Harb Military Secondary School in al-Mahallah al-Kubra and a leader of the 1987 election campaign: 519 votes;

Ahmad Nuh, supply inspector in Bani Suwayf: 461 votes;

Hamid Zaydan, an AL-AKHBAR journalist and director of an Arab newspaper office in Cairo: 451 votes.

**Shell To Invest \$600 Million in Gas, Oil Projects**  
*JN2703082889 Cairo AL-AHRAM in Arabic*  
25 Mar 89 p 1

[Text] 'Abd-al-Hadi Qandil, minister of petroleum and mineral resources, has said that talks will be held this week with a Netherlands economic petroleum delegation under Peter Holmes, vice chairman of Shell International Corporation [name and title as published], which has decided to allocate \$600 million for new investments over the next few years to develop and exploit natural gas findings at the Badr-al-Din fields in the Western Desert and to explore and produce oil in the Gulf of Suez.

The minister affirmed that the investments of the Netherlands-British Shell Company in Egypt over the past 10 years amounted to \$1 billion, covering oil and gas exploration and extraction projects.

Tariq Hajji, Shell director general in Egypt, explained that the majority of the new investments concentrate on developing and exploiting natural gas fields in the Western Desert. He said that Shell, which will celebrate the 10th anniversary of its return to Egypt next week, is an extension of the British-Egyptian Oil Wells Company, which discovered the first productive oil field in Al-Ghardaqah in 1913, as well as seven other discoveries, including the Ra's Gharib field in 1937, the oldest productive oil field in Egypt. This is in addition to the Abu-Darbah, Sadar, 'Asal, Matamir, and Firan oil fields. The company also participated in developing the Jabal al-Zayt, Ra's Badran, and Ra's Fanar oil fields in the Gulf of Suez, and the Badr al-Din oil fields in the Western Desert.

**Agricultural Economist Criticizes Food Policy**  
*45040241B Cairo AL-AHALI in Arabic 15 Feb 89 p 4*

[Article by Muhammad Musa: "This Year's Food Bill To Cost 5 Billion Pounds; U.S. Prescription Leading Agricultural Policies into Disaster"]

[Text] Dr Muhammad Abu Mandur, chairman of the Department of Agricultural Economics at Cairo University, criticized the agricultural policies of the past 2 decades and

described them as lacking in integration. He said the policies had class implications which benefited the rich at the expense of the poor. He said these policies were ultimately a complete translation of the IMF's prescription which has been the subject of growing criticism even from members of the ruling party and the president. Dr Abu Mandur affirmed that ending the crisis in agricultural and food production would start with a political solution. This solution would come in the form of a national alliance between the forces of production that would keep spongers and loafers out of positions of power. This statement was made at the forum, "Economic, Agricultural Policies: a Critical View." That forum, which was held last Sunday evening, was part of the cultural season for the Society for Economics and Legislation.

Dr Abu Mandur said that Egypt had a tremendous deficit in its agricultural balance. Its food bill, which amounted to 3 billion pounds, could even rise to 5 billion pounds because this year's crop in the United States was poor. The United States is one of Egypt's most important agricultural exporters. This food shortage is associated with the structural deficiencies of the Egyptian economy. The most important of these deficiencies are the problems of indebtedness, unemployment and the general budget deficit.

Dr Abu Mandur listed the most important aspects of the agricultural policy concepts that were developed in a backward, subordinate and nonproductive capitalist economy which has a corrupt and corrupting bureaucratic wing. He said the most important aspects of these concepts have to do with contradictions between the ministries in question, bias toward the rich, the lack of proper guidelines for consumption, especially the consumption of irrigation water, and the absence of a fully integrated settlement policy to reduce the pressure on the Nile Valley and the Nile Delta where 98.3 percent of Egypt's population live.

Dr Abu Mandur affirmed that the American prescription which is being offered to Egypt by the IMF has several components which are leading agricultural policies into disaster. The first one of these components advised setting the local price of a commodity in accordance with that commodity's world price, even though the world price of a commodity is a major game played by the superpowers who control 80 percent of the world's food surplus. This is done to reduce the value of poor countries' currencies at a rate of speed which the budgets of these countries cannot handle. The second advice given by the IMF was to remove the subsidy from fertilizers. As a result, the use of fertilizers was reduced. Then the business of providing pesticides, seeds and fertilizers was turned over to the private sector, thereby changing that business from one that was operated to provide a service to one that was operated to sell these products. This too created chaos because market forces were allowed to determine things.

Dr Abu Mandur criticized the tendency to cultivate high value crops for export. That tendency failed completely

in the experiment with strawberries. We exported 57 tons of strawberries out of the 19,000 tons we were supposed to export. That is a 3 per 1,000 ratio.

Dr Muhammad Samir Mustafa, the Institute of Planning, affirmed that Egypt had no clear policy on food and that the question of foreign aid and assistance in general and that of American aid in particular were created by those who accept the aid and not by those who provide it.

Dr Fawzi Halim, the minister of supply, objected to the statement that Egypt had no policy on food. He said the Ministry of Supply had a policy in that regard and that it had interfered in the poultry industry to protect citizens. The problem of a lack of silos for storage is basically a question of a lack of necessary funding.

Dr Ahmad Hasan, the Institute of Planning, said that the real problem in the question of agriculture can be attributed to contradictions in the figures and data about the areas of agricultural land in Egypt. And even if we were to take the figures from the Ministry of Irrigation (7.2 million feddans) or from the Census Agency (5.4 million feddans), the situation would be completely different with both when the question is debated.

Dr Imam al-Jamsi at the Agricultural Research Center set forth another aspect of the question, the population aspect. He said that Egyptian agriculture, which was yielding more than it needed to yield, was producing beyond its capacity.

## IRAQ

### Trade Minister Discusses Trade Status, Policies

44040142 London AL-HAWADITH in Arabic  
2 Dec 88 p 46

[Interview with Iraqi Trade Minister Muhammad Mahdi Salih with AL-HAWADITH; in Baghdad, date unknown]

[Text] Baghdad—AL-HAWADITH Bureau—Iraqi Minister of Trade Muhammad Mahdi Salih has talked to AL-HAWADITH about details of the trade figures contained in economic cooperation agreements the ministry concluded with 34 trade ministers who came to Baghdad for the holding of the International Exhibition.

The Iraqi minister revealed details of two trade agreements between Iraq and the United States and Britain, and discussed the visit to Baghdad by a delegation of the U.S. Department of Agriculture, after the after the uproar the Zionist circles created in Washington against Iraq.

The following is the text of the interview with the minister:

[AL-HAWADITH] Why was the barter method adopted at this time, and will it continue?

[Muhammad Mahdi Salih] The barter method is an incentive for both the exporter and importer, and we will continue to adopt it since it has helped both the manufacturer and the merchant. It is not only important to meet the market's needs but also to export your products in a manner that will incur no loss for you. Barter has made this possible for us, thereby boosting and promoting production. This is a strategic matter in which we believe, and it provides flexibility both for the exporter and industrial manufacturer, enabling them to overcome the constrictions of complicated banking procedures. They engage in exports and imports freely and directly, thereby bypassing many bureaucratic measures.

[AL-HAWADITH] What is the nature of the foreign trade agreement concluded between Iraq and Britain?

[Muhammad Mahdi Salih] The agreement is in fact a financial protocol that will provide credit facilities for the amount of 340 pounds sterling with a maximum ceiling of 400 million pounds. In other words, the 340 million pounds will cover 85 percent of the financing, and the banks will provide 15 percent. The total financing for next year will reach 400 million pounds. It will be allocated for important projects and for importing machinery, dairy products, capital goods, medicines, milk, and some other consumer goods. This is with regard to the financial, trade, and economic agreement. Additionally there is a technical agreement concerning the exchange of expertise and training between the two countries.

[AL-HAWADITH] What about trade between Iraq and the Arab countries?

[Muhammad Mahdi Salih] Every Arab country has a particular character insofar as Iraq's inclination is concerned. The national dimension has a vital and basic consideration in the nature of relations with the Arab countries and, therefore, the economic dimension becomes of particular importance in view of the fact that it is the material base for forging future relationships found on Arab economic integration and on ties that would link together production, trade, industry, and the consumer, and so the sons of the one Arab homeland will come to know one another. Trade agreements [with the Arab countries] have been concluded on this basis for a long time. Some of these are continuously being renewed while new provisions are added to some others. One example is Iraq's agreement with Jordan, which has turned Jordan into an important market for trade between our countries. We do not just export oil but also many other products as well. We are importing many products at a comparable level. Thus we have established economic integration, which we are seeking to achieve with all the Arab countries as well. Trade volume in the 1985 agreement reached \$100 million. Barter trade with Egypt today reached \$250 million; that is the total volume of the deal. Which means that each country's share is \$125 million in exports and imports. The

agreement was concluded this year after a higher joint committee was set up similar to the higher joint committee between Iraq and Jordan.

With regard to Morocco, there is an agreement, part of which is devoted to oil production and another part to financial credit. There is a certain ceiling for oil imports [by Morocco]; half of the remainder is allocated to financing trade and the other half is paid in cash, which is estimated at \$50 million. There are credit facilities to the amount of \$100 million. Therefore, the volume of trade facilities between the two countries this year reached \$150 million. These cover commodities and production requirements relating to the agricultural, industrial, production, and services sector between the two countries. The agreement with Tunis is similar and runs along the same lines as those with Morocco. In fact, during the war Iraq experienced critical times as a result of cutting off the oil pipeline crossing Syria. It has consequently built a new pipeline across Saudi Arabia and another across Turkey. In one way or another, trade had to help maintain a trade balance. We have trade agreements with the nations of the world, including all the socialist countries—well, almost all the socialist countries in the world—plus the capitalist countries or the advanced countries such as Britain, France, Germany, Italy, and the United States, and the developing countries such as India, Sri Lanka, Bangladesh, and Brazil, and African countries, East Asian countries, Australia, and New Zealand. Trade relations with all these countries are good. The present condition—that is, peace—has largely contributed to expansion, which was reflected in the amount of international participation in the Baghdad International Exhibition which was attended by 62 countries, 2,090 companies, and 34 companies representing the national industries. More than 34 ministers visited the exhibition. Last year no more than 400 companies participated.

[AL-HAWADITH] Speaking of the United States, has there been any change in the U.S. attitude with regard to the agreements that were signed following the uproar that was created about Iraq? What was the volume of trade with the United States previously and at present?

[Muhammad Mahdi Salih] The motive and the reasons for the uproar that was created about Iraq are known. But neither the U.S. Senate nor any other country in the world could prove something for which there is no evidence or proof. The ministry of trade delegation to the United States was supposed to be accompanied by delegations from other ministries in order to renew the U.S. agricultural loan which we signed last year for the amount of \$960 million. But after the uproar that was created, the Iraqi delegation postponed its trip. However, after the Zionist attempt failed and before the final decision was made, the U.S. Department of Agriculture

sent a delegation to Iraq to renew the agreement and to sign an agreement with a higher ceiling than last year's. Thus trade has increased from \$1.5 billion to \$2 billion.

[AL-HAWADITH] How has the Iraqi dinar fared since the war stopped?

[Muhammad Mahdi Salih] The Iraqi dinar is very strong in the market, but it is not a convertible currency. It fluctuates in the parallel market; it did so before the war, during it, and after it. In practice it does not affect our market, as this is subject to supply and demand. This is an economic phenomenon, the reasons for which are well-known. But the dinar's purchasing power is good domestically, and this is what matters. It is true that certain things have affected the dinar's position, such as the disappearance of some imported goods. Meanwhile, the currency itself comes from the Arab or the visitor to the country who buys the currency cheaply. Thus things cost him little and he buys services for less than their real price. This is bound to end with time. The Iraqi dinar is strong at home. Abroad it is not considered a convertible currency which goes down today and comes up tomorrow. They deal with the dinar in the parallel markets just as they deal with goods and other commodities. If it were convertible, we would have printed billions of it and would have bought with them goods and commodities...but it is not convertible.

**Water Transport, Role of Shatt-Al-'Arab Discussed**  
440400221 London AL-HAWADITH in Arabic  
27 Jan 89 p 47

[Text] Will Iraq abandon its earlier concentration on the Shatt-al-'Arab and its importance for shipping navigation and for its oil fleet, despite the fact that it is the traditional Iraqi outlet to the Gulf waters?

This question was raised in Baghdad recently following the statement by Muhammad Sakhray, Iraqi Minister of Transport and Communication, in which he declared that the cornerstone for a number of projects for the development and expansion of Iraqi ports was laid a few days ago in accordance with President Saddam Husayn's instructions. The total cost of the projects is estimated at 289.5 million dinars.

The reason behind this question is the fact that this large amount will be devoted to the construction of 13 docks in the port of Umm Qasr, southwest of al-Basrah, which leads to the Arab Gulf via Khawr 'Abdallah, which is facing al-Faw near the Kuwaiti island of Bubyah. The area was the scene of major battles between the Iraqi and Iranian forces that ended with the liberation of al-Faw and the restoration of the second Iraqi outlet to the Arab Gulf after the [return of] Shatt-al-'Arab and the resumption of Iraqi shipping after the ceasefire. The Iraqi Minister of Transport and Communication estimated

the Iraqi goods exported through this outlet at 250,000 tons. This justifies Iraq's efforts to use this outlet and the new docks that will reportedly be inaugurated during the first half of this year.

The seriousness of Iraq's effort in this direction is confirmed by the fact that it will boost Iraq's annual import-export capacity to 2.5 to 3 million tons of goods. This step is aimed at bypassing Iran's prevarications in implementing the obligations provided for in Security Council Resolution 598 calling for the reopening of Shatt-al-'Arab to navigation and for its immediate cleaning in order to become suitable for this purpose.

The current development and expansion works being carried out in Umm Qasr Harbor are accompanied by works to develop Khawr al-Zubayr Harbor, which is linked to Khawr 'Abdallah by a canal. The canal is being widened and deepened in order to be able to handle the bulk of Iraqi merchant and oil fleets traffic.

The new docks that will be built will include a special port for the export of Iraqi cement and another port for the export of oil products from Khawr al-Zubayr, the port nearest to Kuwaiti territory which was closed throughout the war.

All these development plans, which are speedily being implemented under direct supervision at the highest Iraqi levels, confirm the official inclination to use the Khawr al-Zubayr and Umm Qasr Harbors as well as the Khawr 'Abdallah Canal as the major arteries of Iraqi shipping to the Gulf waters and the international waters beyond. This will at least be for the present until the Iranians begin implementing the Security Council resolution that would ensure Iraq's right to once again use its territorial waters.

Information received by AL-HAWADITH confirms that Iraq's recent measures do not aim to make Iraq's second water outlet a substitute for Shatt-al-'Arab, its first and principal outlet to international waters. The measures are only precautionary and aimed at ensuring Iraqi shipping's ability to meet the country's import-export needs in the absence of Shatt-al-'Arab.

## ISRAEL

**SHAS Gains Power in Jerusalem**  
44000370 Jerusalem THE JERUSALEM POST  
in English 1 Mar 89 pp 10, 12

[Article by Haim Shapiro: "SHAS Doubles Strength in Capital"]

[Text] In religious politics, SHAS, the Sephardi Tota Guardians who first competed in the Jerusalem municipal elections four year ago and grew in strength in the recent Knesset elections, seemed to have gained even more power yesterday.

The party's greatest gains appeared to have come in the two ultra-Orthodox bastions of Bene Beraq and Jerusalem. But party leader Yitzhaq Peretz stressed that, in his view, SHAS's greatest achievement was registered elsewhere in the country.

According to Israel Television's forecast last night, SHAS might win up to six seats in the Jerusalem council—double its strength until now.

Local party leader Nisim Ze'ev said last night that the question of whether SHAS would enter into a coalition with Mayor Teddy Kollek's One Jerusalem, which has apparently lost its absolute majority, would have to be decided by the party's Council of Tora Sages.

Ze'ev indicated, however, that if the party did enter into the municipal coalition, the questions that would have to be considered were whether there would continue to be cinema showings and other public entertainment programmes on Shabbat and, even more important, Shabbat soccer games.

The percentage of eligible voters who cast ballots was higher in the ultra-Orthodox quarters than in the rest of the Jewish neighbourhoods in the capital. In Mea She'arim, the usual posters warning the public not to participate in the "Zionist" elections were overshadowed by posters from Habad supporters expressing their outrage at Rabbi Eli'ezer Shakh's latest statements.

The religious political map in Jerusalem was made uncertain by the participation of the relatively new party, Degel Hatorah, whose list was headed by a particularly attractive candidate, Uri Lupolianski.

Lupolianski is the founder of Yad Sarah, the volunteer organization which loans out medical equipment free of charge. A minor furor in the campaign erupted last week when Aguda charged that Yad Sarah workers included girls doing alternative national service, which is rejected by the ultra-Orthodox community.

In Bene Beraq mobs of cheering ultra-Orthodox on both sides of the political fence seemed to indicate that there was no clear result in the struggle for power between the Sephardi dominated Shas-Degel Hatorah faction and its Agudat Yisrael rivals. But the election definitely changed the political map in the town, where an Aguda-controlled coalition had hitherto held power.

Rabbi Yerahmi'el Boyar, who stands to take over as mayor after Moshe Irinstein completes his half of the term under the rotation agreement, said it was too early to see the final results. But he added that there was a clear increase for his faction in returns coming in from the largely Sephardi neighbourhoods.

The streets were filled with *haredim* whooping it up as results from each voting station came in. At party headquarters and at city hall, leaders of the contending factions were surrounded by large numbers of supporters.

Rabbi Hilel Kohen, the campaign manager for Shas-Degel Hatorah, said his party's key political aim was to obtain equal educational opportunities for the children of their Sephardi and Lithuanian supporters who, he said, had been discriminated against by the Aguda-led local government.

Meanwhile, Yitzhaq Sheinfeld, spokesman for Agudat Yisra'el, said he believed his party would block its rivals from obtaining a majority, and would succeed in "modernizing Bene Beraq, bringing in industry, and transforming it from a backward town."

The tension in Bene Beraq had risen to fever pitch following a speech on Saturday night in which Rabbi Shakh, mentor of Degel Hatorah and Shas, launched a new offensive against the Habad hassidim and their leader, the Lubavitcher Rebbe, who have become the allies of Agudat Yisra'el.

Absorption Minister Yitzhaq Peretz, the SHAS leader, said last night that his party's victories were far less important to him than its appearance on the political map throughout the country.

While he was not yet celebrating, Peretz said that, in his view, SHAS was representing a public which, until now, had had no representatives.

"That is a victory for the State of Israel," he said.

## SAUDI ARABIA

### OIC Head Supports Call for Islamic Common Market

44000362 Jeddah ARAB NEWS in English  
10 Feb 89 p 2

[Article by Muhammad Ibrahim]

[Text] Jeddah, Feb 9—Secretary-General of the Organization of Islamic Conference [OIC] Hamid al-Gabid has strongly supported the call made by the Custodian of the Two Holy Mosques King Fahd for the establishment of an Islamic common market and said such a move will be a manifestation of true Islamic solidarity.

"It is high time to plan for achieving an Islamic integration in the field of economic development. Some Muslim countries have the needed capital while others are capable of manufacturing and have the market," he told the ISLAMIC ECONOMIC, a monthly commercial, industrial and agricultural magazine issued by the Islamic Chamber of Commerce and Industry.

"We have to cooperate within a religious philosophy besides developing Islamic economic relations within the framework of the OIC," he said, adding that the formation of an Islamic common market grouping all Muslim countries will positively contribute to the consolidation of Islamic solidarity.

Al-Gabid, however, warned that the establishment of the market will face many problems including the differences of languages, economic policies, monetary systems and style of industrialization. "Some Islamic countries are still lacking in the know-how while others have achieved great strides in industrialization," he said.

He was confident that with strong will and determination these problems could easily be overcome.

Asked whether the unification of Islamic currency would assist in the realization of the market, al-Gabid said this question mainly relates to the technical studies and researches prepared by the Islamic central banks and monetary institutions.

He was optimistic that a unified system of currencies might not be a far off.

Al-Gabid stressed that a number of researches and studies were made in the field of Islamic economy but said its application within the framework of Shariah needed a political will by the Islamic governments.

On problems facing the Islamic economy, al-Gabid said most of the Islamic economic institutions were recently established and they would need more time to grow and mature.

The Islamic Chamber was established in 1979 and is based in Karachi. However, the first magazine issue for this month was published by the Jeddah Chamber of Commerce and Industry in collaboration with Kuwait and 'Amman chambers.

The chamber's executive committee, which met in Abu Dhabi recently, also welcomed a proposal to establish an Islamic common market.

The committee, concluding its 14th session in the UAE [United Arab Emirates] capital, urged member states to help market Palestinian products in the Islamic world. The meeting also called for frequent mutual visit of businessmen in the member states to boost economic and commercial cooperation.

The committee's next meeting will be held in Bangladesh in October this year and its general assembly is scheduled to meet in Karachi in 1990 coinciding with the opening of the chamber's headquarters in the Pakistani capital.

The committee agreed to include the Kingdom and the UAE in the supervising committee, AL-NADWAH reported today, quoting the Qatar news agency. The three-day meeting was attended by representatives of the 45 OIC member states.

The meeting stressed the need of implementing joint investment project, strengthening relations between businessmen in the member states and easing customs rules on imports from Islamic countries.

The committee also made an impassionate appeal to the conflicting parties in Lebanon to end the tragic situation there.

It urged the disputing factions to cooperate with the six-member Arab committee for peace in Lebanon, which has been set up by the Arab League to normalize the situation in Lebanon.

The committee also called on Iran and Iraq to work for peace.

It paid tribute to the heroic Palestinian uprising in the West Bank and the Gaza Strip and appealed to Muslims worldwide to support the intifada until victory is achieved.

## SUDAN

### Eritrean Group Asked To Meet Ethiopian Delegation

EA3103180689 Khartoum SUNA in Arabic  
1010 GMT 31 Mar 89

[Text] Mr Abdullah Idris, president of the Eritrean Liberation Front [ELF], has disclosed that the Sudanese Government has invited them to negotiate with the Ethiopian delegation that arrived in Khartoum a few days ago. He told today's AL-KHARTOUM newspaper that the Eritrean leadership had asked the Sudanese Government to give it an opportunity to hold talks with the unified ELF organization as a preliminary step toward unifying the Eritrean ranks and getting all the groups to participate.

### Meetings in Uganda End With Border Agreements

EA2303210189 Khartoum National Unity Radio  
in Arabic 1245 GMT 23 Mar 89

[Excerpts] General Fathi Ahmad 'Ali, commander in chief of the [Sudanese] People's Armed Forces, has invited the commander in chief of the Ugandan Army to visit Sudan for talks on cooperation between the two armies. The commander in chief's invitation was conveyed to his Ugandan counterpart by the Sudanese delegation to the meetings of the Ugandan-Sudanese border security committee which were held in Kampala from 3 to 16 March. [passage omitted]



The meetings covered the questions of border security, refugees, re-demarcation of the border, government and private property of the two states, a system of border point meetings, and smuggling. Agreement was reached on the coordination of meetings of border point commanders and opening up contacts between the civil and military authorities on the border to contain any incidents and promote exchange of information between the two sides and on keeping all refugees a distance of 50 miles from the border, as stipulated by the international law for refugees. The Sudanese delegation also had a meeting with the Ugandan president and briefed him on the current political situation in Sudan.

#### **Inadequate Supply Leads Army To Withdraw From Mongalla**

45000132 Khartoum AL-AYYAM in Arabic  
19 Mar 89 p 1

[Text] The armed forces garrison in the city of Mongalla withdrew day before yesterday at dawn. An official source told AL-AYYAM that this city was subjected to increased pressure as a result of the natural conditions in the region and some rebel attacks, in addition to an inefficiency of supply, which led the garrison leadership to withdraw southward. Our source mentioned that all of the troops are in good health and have all their weapons and ammunition, and that they had left the city empty behind them.

AL-AYYAM points out that the city of Mongalla is located in Western Equatoria, where the rebels have recently moved their activities. Mongalla is the sixth garrison that the armed forces have despoiled in the past month.

#### **Migrants Returning to Home Areas**

EA2803213589 Omdurman Domestic Service in Arabic  
1800 GMT 28 Mar 89

[Text] The migrants commissioner, Mr Muhammad al-Hasan 'Awwad al-Karim, has said that prospects are good for the return of migrants to their home areas. He said the migrants commission has received initial approval from the Finance Ministry of 1 million Sudanese pounds as a first grant to transport migrants to their areas of origin. He added that 8,000 migrants have been transported to Kurdufan and Darfur and 2,000 to the southern regions.

#### **Regional Governors Sworn In**

EA0204185489 Omdurman Domestic Service in Arabic  
1930 GMT 10 Apr 89

[Excerpt] Mr Mahjub (Talha) was sworn in before the prime minister, Mr al-Sadiq al-Mahdi at the Council of Ministers General Secretariat this morning as commissioner of the National Capital; Major General Abd-al-Aziz Muhammad al-Amin, retired, as governor of the Northern Region; Lieutenant Colonel Pilot Muhammad

Uthman Ahmad Karra as governor of the Eastern Region; and Ma'mun Sharafi, as commissioner of the engineering unit at the National Capital Commission. [passage omitted]

#### **NIF Leader Cited on Democracy, Southern Problem**

JN2803112689 Manama WAKH in Arabic  
0855 GMT 28 Mar 89

[Text] Dr Hasan al-Turabi, leader of the National Islamic Front [NIF] and former Sudanese foreign minister, has expressed the belief that democracy in his country is in permanent danger because of the internal power struggle and the issues which Sudan is currently witnessing. However, he said this does not mean that we must despair or abandon democracy.

In a statement to the Qatari newspaper AL-RAYAH published today, Dr al-Turabi called for finding stability through Sudanese national accord and for resolving the country's issues and problems so that democracy will resume its right course to serve development, security, and stability.

On the question of peace in southern Sudan, Dr al-Turabi explained that the mutiny in the south will not be solved through an outside peace agreement, but through a just and peaceful solution that takes into consideration the national and pan-Arab goals of the Sudanese people, their circumstances, the nature of their internal situation, and their foreign relations. He asserted that the matter requires a comprehensive, defensive, economic, constitutional, and political strategy.

Dr al-Turabi objected to mortgaging his country's policies to certain superpowers, indicating that Sudan's relations with the United States and the USSR must proceed from the principle of nonalignment. He rejected hegemony and conditions imposed by others.

#### **DUP Deputy Leader Husayn Interviewed**

PM3003150389 London AL-MAJALLAH in Arabic  
29 Mar-3 Apr 89 p 11

[Interview with Sayyid Ahmad Husayn, deputy secretary general of the Sudanese Democratic Unionist Party, by Nura Fakhuri in Khartoum; date unspecified]

[Text] Sayyid Ahmad Husayn, deputy secretary general of the Sudanese Democratic Unionist Party [DUP], assumed a number of ministerial positions in successive al-Sadiq al-Mahdi governments and is considered the architect of the peace agreement that the party signed with the South's rebel leader, John Garang. He is also one of the names suggested for a ministerial portfolio in the new Sudanese government. Nura Fakhuri conducted the following interview with him in Khartoum:

[AL-MAJALLAH] You are accused of being a fragile party which had no influence inside the government. There is a question about your ability to enter peace negotiations or reach an agreement with the John Garang movement.

[Husayn] The DUP was neither weak or ineffective. In fact, the opposite was the case. This is unless honesty in government is considered weakness. None of the DUP ministers was accused of political or financial corruption or of aligning himself with another state in foreign policy.

[AL-MAJALLAH] With regard to foreign policy, it is said that you are aligned with Egypt.

[Husayn] Give one single example to prove that.

[AL-MAJALLAH] It is being said that you do not make any crucial decisions before consulting Egypt, and that Egypt played a part in securing the recent peace initiative.

[Husayn] Our allegiance is to Sudanese soil alone. Our decision is our people's decision. As for the talk that the initiative was engineered in Egypt, that is untrue, because I, more than anyone else, worked to realize it. I would like to return to the first question and say that we are not a fragile party. The financial status of the other parties after the uprising has made us look so. But all the unions are now with us in one trench. The outside world, except certain bloc quarters, has given us absolute confidence. Peace is in our hands and popular confidence is on our side. We believe that it is our position and presence in the opposition which prevent the Armed Forces from carrying out a coup.

[AL-MAJALLAH] It has been reported that weakening and defeating the Army is the price of your peace initiative with Garang.

[Husayn] Such talk has nothing to do with reality. No party or quarter supported the Army as much as the DUP did, especially in the battles of Kurmuk and Jisan. The peace initiative has not weakened the Armed Forces' morale at all. These forces had received no military aid since 1986. But it was us who secured some military aid from some Iraqis, Egyptians, and Arab brothers. The Army also acquired some weapons through al-Mahdi.

[AL-MAJALLAH] And did Egypt support the Armed Forces, contrary to al-Mahdi's claim that it left the south bleeding and provided no support for it?

[Husayn] Egypt has spared no efforts in helping Sudan. There are several forms of military aid.

[AL-MAJALLAH] You signed a peace initiative with a movement associated with rebellion, separatism, and dealings with Israel.

[Husayn] We were not the first to deal with the movement. The National [Islamic] Front [NIF] and the Ummah Party dealt with it before we did. We are dealing with nonseparatist Sudanese who have their own reasons for adopting such a position. They are part of Sudan and are fighting for the sake of the cause. We have no document or evidence to prove the reports that Garang deals with Israel. We have no information whatsoever on any Israeli links with the Garang group. And if such a claim proves to be true, what can be done? They are part of the homeland and the war cannot continue.

[AL-MAJALLAH] What causes that contradiction in Sudanese policy? Where is Sudan heading, and what is your position on what is happening?

[Husayn] Our position is fixed and has never changed. When we pulled out of the government as a result of our partners' failure to implement the peace initiative, we defined our position in the pull-out memorandum.

[AL-MAJALLAH] [NIF leader] Dr Hasan al-Turabi says that you withdrew from the government because of fear that the boat might sink, not because of your adherence to the peace initiative.

[AL-MAJALLAH] Our rivals always try to level accusations against us. What al-Turabi has said is untrue. Nothing like that exists in our offices, minds, or files. Ever since 9 December 1988 we had decided that if the Council of Ministers did not approve the initiative we would withdraw from government. The timing of the pullout was left to the leadership, which set the date for it, namely 31 December. And when we pulled out of the government, we could have turned to the civil disobedience, which the Sudanese people and opposition used to exercise against the military dictators. But we have never thought of using that weapon to topple a constitutional government, because the results of civil disobedience are unknown. On the contrary, we urged the unions not to sabotage any amenities so that democracy would not turn against us.

[AL-MAJALLAH] Is there any coordination between your party and the unions, especially as the NIF says that 40 percent of the labor and professional unions are under its control?

[Husayn] If the front had 1 percent, it would have been able to express itself through those unions. All the unions expressed their rejection of the government which has resigned, even after al-Mahdi said that they promised him to end their strikes.

**Port Sudan 'Preparing To Take A Very Serious Step'**  
*45040213a Khartoum AL-USBU' in Arabic*  
31 Jan 89 p 5

[Article by Muhammad (Ushik Hashal)]

[Text] It is not true anymore that Port Sudan is the best in all circumstances, as we used to say in the past when we talked about shortages in imported strategic goods.

Travel and means of transportation were then always the main cause of hardships in central, northern, western and, for that matter, even southern Sudanese areas. Unlike today, Port Sudan inhabitants used to read about those crises in the daily papers as something from which those areas suffered from time to time and were not totally nonexistent. Statements by officials used to blame all those problems on shortages of transportation, pointing to the stockpiling of goods in the port and in the depots of organizations and companies in Port Sudan.

In fact, the Port Sudan inhabitants felt this and sympathized with conditions in other Sudanese areas about which they read in the papers, despite the various other hardships from which the town inhabitants complained and suffered, the only cause of which was then the extremely high prices of food, which at the time was felt only in Port Sudan. In addition, there was the drinking water crisis which is still chronic today. The inhabitants' sole consolation was the availability of food supplies, such as sugar, flour, and similar commodities. Nevertheless, they said that Port Sudan is in a better state, since at that time it did not feel the crisis of bread, sugar, bottle gas, and petroleum products.

What's new today is that the situation has been completely reversed, as any citizen in Port Sudan can say that Port Sudan is suffering most because the problem is no longer one of transportation from Port Sudan to other areas of the country. Furthermore, it is no longer a problem of exorbitantly high prices and mere unavailability of food. Rather, it has clearly and unquestionably become a problem of total deprivation from which Port Sudan is equally suffering like Niala and the rest of Sudan's 1 million square miles.

What is even worse is that very little of the food supplies that transit the port of Port Sudan to the national capital (the elephant's insatiable belly) reach the Port Sudan citizen who receives, unloads, and ships these goods. This is because the authorities focus their attention only on the capital and are only concerned with the reactions of the 4 to 6 million people who live around our rulers' palaces in Khartoum and stir up demonstrations and strikes, and incite the poor people, and lead the civil disobedience movement, and they don't care what happens after that. As our brother and colleague Abu-Amnah Hamid said, "To hell with Port Sudan, Kassala, 'Atbarah, Danaqilah, Shandi, and the rest of the Sudanese poor who amount to nothing as long as they are far away from the rulers' palaces in Khartoum."

But we must realize that Danaqilah, 'Atbarah, Kassala, Port Sudan, and all the other areas are part of this Sudan and that those who populate Khartoum are a mixture from all these areas. Their roots extend to Sudan's northern, eastern, southern, and western areas. We must also realize that if we fear reactions, 'Atbarah is the 'Atbarah we all know. We also know what could happen

there and its impact. This is despite the shrinking railroad that has hampered its performance, but so far did not affect the spirit of those working in it. We must be aware of this.

As for Port Sudan, how would the authorities be aware of the fact that it is the port that receives ships, handles all our imports and our exports, it is where food supplies are stored, and from which such supplies are shipped to the national capital and other areas, carried on the backs of thousands of port and company workers and of all the stevedores on ship and on shore, the thousands who support hundreds of thousands of families? It is the town of 1 million people, in which everyone has begun to feel the hardships exactly as they are felt in the national capital. It too has poor masses, just as there are in Abu Janzir Square, side by side with the port and shipping workers, petroleum workers, workers in overland transport companies, and other effective and influential sectors, all of whom are no longer politically illiterate. They are headed by engineers, doctors, and lawyers who all are equal to their numbers in the capital in thinking, planning, and reaction. Let us bear in mind that reactions in Port Sudan could be very serious because, unlike Khartoum, it is the country's port that receives, ships, and exports.

It is true that those people are far from the ruling palaces and that, because of distance, their voices may not be too disturbing for officials on the Nile, and so it may be miscalculated that these voices are not to be taken seriously by the authorities as they would the voices surrounding them in the capital. But the fact is that these people too are suffering from the bread crisis to the point of starvation, and from the sugar shortage. This is not to mention the drinking water crisis to which they have become accustomed every summer and sometimes even during poor rainy seasons. Regional and central officials must be aware of this fact. It is illogical and even impossible to ask a starving person to carry food on his back, no matter how little it is, and to deliver it to others while he is suffering from the pangs of hunger, without receiving some of it in order to allay his hunger. He will not be able to do so even if he wishes to oblige.

What we would like to point out here is the fact that the feeling of bitterness has begun to grow among all the population of Port Sudan and those working in its key utilities, such as the port, the shipping companies, the transport sector, and petroleum and—a deliberate emphasis here—the port. They have begun to feel a sense of despair and of being ignored; reactions have begun to surface and voices are being raised; thoughts too are being expressed loudly. They say they know how to demonstrate, how to stop work, and how to disobey the law. They are preparing to take a very serious step. This is what the reality demonstrates in Port Sudan today, something that we do not wish to happen. It is strongly hoped that the regional and central authorities are aware of the gravity of the situation.

**Journalists Protest Editor's Arrest**  
*EA2103122489 Khartoum SUNA in English*  
1040 GMT 21 Mar 89

[Text] The Sudanese Journalists' Association has condemned the arrest of the editor-in-chief of the bi-weekly AL-RAYAH newspaper, Muhammad Madani Tawfiq. The Journalists' Association, in a memo submitted to Prime Minister Sadiq al-Mahdi, called for the immediate release of Tawfiq, who was arrested at the beginning of the current month in accordance with the emergency laws. The Journalists' Association described the arrest as a violation to press freedom and democracy. It warned against arresting any journalists under the laws of emergency.

## UNITED ARAB EMIRATES

**Garment Units Reportedly in Crisis**  
*44000364 Dubayy GULF NEWS in English*  
6 Feb 89 p 11

[Article by Kumar Raj]

[Text] About half a dozen garment manufacturers in Northern Emirates have either already closed their shutters here or are in the process of shifting their operations to other Emirates and neighbouring countries.

Uncertainty over the export prospects to the United States with garment movement at a standstill due to the deadlock in quota negotiation between the two countries, is the main cause for this business closures.

"This is only the beginning. Many more will have to close soon. We will see even some bankruptcies," said a manufacturer with large consignments [LCs] held up at U.S. ports due to trade embargo.

According to informed sources, about four units have already shut down their businesses here while two others are shifting their operations to Abu Dhabi and Oman.

A large number of them are also operating at minimum capacity and can face closure if they can not find a quick solution to the row with the United States and are not able to find a sizeable market elsewhere.

Some of them are also facing a worse financial crunch because of the cargo held up in U.S. ports due to trade embargo. Not only is their liquidity affected, but they also face problems on bank limits and demands to refund money realised earlier on confirmed LCs.

A few banks which concentrate on the garment business are also caught between the exporters and importers. They are unable to effect the final settlement of LCs negotiated through them since consignments are lying uncleared at U.S. ports.

Another negative impact is that the U.S. buyers are now losing their confidence on UAE [United Arab Emirates] exporters as reliable partners in the light of prolonged disputes on settling the quota issue, said an exporter.

"Fashions change very fast and it is seasonal. What will one do with winter fashion in summer?", he asked. "They (UAE authorities) must act immediately to help in clearing these consignments at U.S. ports," he added.

Meanwhile, the quota issue is also expected to pose a different kind of problem here locally. First is to agree upon the size of the quota with the United States. Second is to agree upon an appropriate formula for the distribution of quota units located in various Emirates and free zones.

If the agreed quota is anywhere close to the demand of the UAE authorities, then the latter will not be a very difficult task. But if it is at the U.S. offered level, then, "it will become a never ending impossible task," said a manufacturer.

According to him, this is another reason why a manufacturer from Northern Emirates is looking for shifting the entire plant to Abu Dhabi. "Since there is many garment units in Abu Dhabi, they seem to believe that they can get a better share of the quota," he explained.

Meanwhile, an analysis of latest figures available on garment trade between the UAE and the United States reveals that the United States can certainly be more generous and considerate in its quota size to the UAE.

During the year ending November 1988, the garment export volume from here to the United States rose 5.6 times. In value terms it shot up by 6.4 times the size of a similar period of the previous year.

Watching the sharp rise in imports from the UAE, the U.S. authority proposed a minimum hold level (MHL) effective June 26, 1988 for eight major apparel categories for interest to the UAE exporters.

Even when the negotiations were under way and both the countries have agreed to implement a visa system for UAE garments exports as a preliminary step, the U.S. authorities slapped a trade embargo on these categories when the call reached the unilaterally fixed MHL.

In fact, when the U.S. authorities called for a quota restriction, they only looked at the growth trend which was quite fast then due to the infancy of this industry here. They did not consider the actual size of the imports into the United States from here which was only meager.

Therefore, the MHL level at which goods were embargoed and the subsequent size of the quota offered by the United States are not in line with the U.S. treatment to other countries exporting garments to them.

The truth is that the actual exports from the UAE formed only a fraction of its garment imports. On any scale it was an insignificant amount to call for such a drastic step which can even be a sore on general trade relation between the two.

According to the figures available now, collected from the U.S. end, they imported only \$51.9 million worth of garments from the UAE during the year ending November 1988, which formed only 0.225 percent of its annual textile and garment import bill of over \$23 billion.

"Too small a figure to panic and call for quota. An unexpected drastic step that threw a budding industry in disarray even before it could find a proper footing in the UAE," explained a manufacturer.

What was worse is that the proposed quota size of the U.S. authorities forms only a third of the year's exports from here till November 1988. That means, trying to limit UAE exports to less than 0.2 percent of U.S.'s total garment imports.

Even if the quota for the eight categories under dispute is fixed at the monthly peak figures for these apparels during the year ending November 30, the total exports from the UAE can not cross 0.4 percent of their total imports although it forms five times the U.S.'s embargoed MHL size now.

Apart from this, a study of MHL proposed by U.S. authorities for similar categories of garments from other countries during the past three years reveals that the MHL proposed for the UAE is the lowest among all and it falls heavily short of many. Subsequently, even the MHL has been totally withdrawn in certain cases.

Considering the above facts, an offer of just 26 percent more on the U.S. imposed MHL is too little. The United States can certainly review the figures prudently and consider a quota that will give due consideration to the UAE's present capacity.

It is almost six months since the UAE authorities have totally stopped issuing fresh licences for garment units. More than half of the present operating units are not more than a year old to sustain a severe cut in their access to the U.S. market, the largest in the world.

The present negotiators from the U.S. side nominated earlier seems to be firm on imposing the arbitrary figures arrived without any consideration to the reality.

Therefore, the only way to break the deadlock and try for a higher share is by approaching people at still higher levels in U.S. Textile Commission. The newly appointed chief Clayton Yeutter should be more considerate, considering the strong stand he has taken last year against the Congress to stall the Textile Bill that would have severely limited U.S. textile imports.

However, immediate action is essential for salvaging a few manufacturers with very high exposure on the quota items which are awaiting clearance at U.S. ports due to embargo.

## BANGLADESH

**Text of Ershad Speech at Parliament Openings**  
46001321 Dhaka THE NEW NATION in English  
3 Feb 89 pp 3, 7

[Article by Bismillahir Rahmanir Rahim]

[Text] Mr. Speaker,

Assalamu Alaikum

I welcome you all on my behalf as well as on behalf of my government to the winter session of the fourth parliament of Bangladesh. Leaving behind devastating floods that caused deluge at quick succession and destructive cyclone and tidal bore that battered the country last year we have reassembled here today on the first of February which symbolizes the awareness of our national identity. I trust the lessons of February will inspire us to face any future challenge, unitedly and on the basis of national consensus as we did in the past.

As you know, a frightful train accident has recently taken place. Besides, accidents of various transports including bus and launch have cost quite a few valuable lives. Along with them we have lost a number of personalities in the fields of journalism, film industry, education and culture. With emotion too deep for words I remember them and pray for divine benediction for the departed souls.

It will not be an exaggeration to say we are faced with numerous problems. We are faced with the challenge of recovering losses caused by floods, cyclone and tidal bores, of seeking durable solution to the problems of various natural disasters including floods, of mitigating the losses to life and property due to possible natural calamities in future, of continuing and accelerating the pace of developments already set in motion in our national life and of making available essential commodities at cheaper prices. Over and above, it is our sacred duty to infuse into our social life the spirit of progress and democratic values in the light of Liberation War and national independence. We cannot advance even an inch on the road to progress if we cannot fulfil these requirements imposed on us by history. I can express this optimism on the basis of my experience of running the state during the past seven years that we shall Inshallah succeed. The Almighty Allah will help us reach our destined goal.

Mr Speaker,

The floods and other natural disasters have left an indelible imprint in our mind. In our national life we cannot but start with anything without a reference to floods. The special session of the parliament was held on October 16 last year in the backdrop of the last floods. Addressing that session I sent a call to eleven crore fearless people of Bangladesh who can make possible

things that are impossible to come forward to concert thoughts and deeds for resisting flood which is our major national problems. That will be the best way of protecting our national identity. That will give us a place of pride in the comity of nations. About three and a half months time has lapsed after I have given that call. I feel what we have achieved, to what extent we have made progress and where we have failed should be reviewed in this highest national forum. That will also be in conformity with democratic values.

As you know, the floods of 1988 were fiercest and the most frightful not only for Bangladesh but also in the known history of the world. Experts at home and abroad have assessed losses to the tune of thousands of crores of taka. But is it possible to ascertain losses caused by such a devastating natural calamity in terms of money? Anxiety of what will happen to Bangladesh after the calamity of such magnitude have been widely expressed at home and abroad. Almost all without exception have expressed apprehension of a great famine. They feared many lives will be lost due to epidemic and other water-borne diseases.

In the face of such frightful apprehensions cyclone and tidal bores swept our coastal areas with all their destructive fury. Needless to say, this cyclone spelt disaster to areas which were least affected by floods in the past. The destructive fury of the cyclone and tidal bore dimmed and darkened even the optimistic persons. They turned skeptic. Such a frightful cyclone after such a bid deluge! How a poor over-populated country like this will stand erect with its head high?

In order to give you an idea of the extent of anxiety of our foreign friends about the future of Bangladesh I shall give a few headlines of some of the world famous newspapers. The LONDON TIMES in its issue dated September 6 said "Hunger and disease loom after Bangladesh flood." The WASHINGTON POST of the United States said "Beyond floods, disease hunger stalk Bangladesh". The English language paper of Malaysia The STAR in its issue of September 14 said "Little hope after the storm". The ARAB NEWS of Saudi Arabia headlined on September 5 "Famine threatens Bangladesh". The SAUDI GAZETTE of September 8 headlined "Only miracle can help".

There is no need to explain the disastrous apprehension about the future of Bangladesh which prompted such comments in foreign newspapers and journals. After having passed those dark stormy nights I declared from the podium of the national parliament that "By our deeds we have proved their apprehensions are not correct". The country was not struck by famine. Epidemic diseases could not spread. Rather due to the infinite mercy of Almighty Allah and courage and resilience of our people the progress of the implementation of the Annual Development plan is satisfactory despite unfavorable condition created by floods, cyclones and tidal bores. Speedy implementation of rehabilitation

programme in 1987-88 pushed the gross national product to 2.95 percent. This year it is expected to exceed 2 percent. In other words, the growth rate of the economy has not been as dismal and disappointing as was expected.

I must say I and my government do not deserve credit for it singly. Eleven crore patient people of this country claim credit for it. Besides, humanity all over the world deserve credit for it. The manner in which the people of Bangladesh waged their life and death struggle unitedly and the way the international community came forward to aid and assist them are examples without a parallel in history. The contribution of the international community to the aid and assistance of flood stricken humanity of Bangladesh will constitute a glorious chapter in the history of human civilization.

Mr Speaker,

I deem it desirable to refer to the unprecedented international cooperation and support in this regard. In the face of frightful attack of flood I sent an appeal for help to the international community on September 3. Responding to that appeal the Secretary-General of the United Nations Perez de Cuellar at once called upon all members nations, special agencies and organizations of the world body to come forward with help. Besides, he sent the Disaster Relief Coordinator Janab Hamed Essafi as his special envoy as a mark of his solidarity with the suffering people of Bangladesh to make an on-the-spot survey and to assess the losses caused by the devastating flood. On the basis of the report submitted by him the UN General Assembly in the 33rd full meeting of its 43 session adopted a unanimous resolution for providing help to Bangladesh in the event of flood. Sixty-four countries of five continents unitedly sponsored this resolution. I take the opportunity to thank on my behalf and on behalf of my government and the whole nation those countries which sponsored the resolution and those who supported it.

In continuity of the resolution adopted by the UN General Assembly and due to personal initiative taken by the Secretary-General a special meeting of the UN was held on November 16 to provide Bangladesh with disaster relief. I attended that meeting and addressed it. After my address friendly states and agencies instantly announced help worth 500 million dollars. I think what the Secretary-General states in his address to that meeting was far more important than the money pledged. He said "People of Bangladesh have earned plaudits of the whole world for the courage and fortitude they have demonstrated in the face of recent calamity. But they cannot be subjected to such sufferings year after year. The Government of Bangladesh has taken significant steps to devise ways and means of mitigating the losses caused by the disaster. It had adequate stock of food and medicine to face the flood. But these are precautionary measures for sheer survival. What is necessary is long-term lasting solution to enable the people of Bangladesh

to protect themselves from the fury of nature and move ahead without any impediment on the road to progress and prosperity. A large-scale investment is considered vital to take preparatory steps to combat the calamity and mitigate the sufferings of the people. The United Nations stands prepared to extend all possible assistance." The observation of the UN Secretary-General has added a new dimension to the effort to find solution to the problem of flood in Bangladesh.

Not only the United Nations but also the Organization of Islamic Conference, Non-aligned Movement, Commonwealth, SAARC [South Asian Association for Regional Cooperation], Colombo Plan, IMF, World Bank, Asian Development Bank, etc. nay all international agencies and organizations and friendly countries at once came forward to help us find a permanent solution. I cannot but point out a few events in this connection. Right during the flood the then President of the United States Ronald Reagan sent his special envoy Mr J. F. Morris together with relief materials to express his solidarity with the flood-stricken people of Bangladesh and to ascertain the extent of loss. Later a hearing on Bangladesh flood was staged by the sub-committee of Asia and Pacific affairs of the House of Representatives and in continuation of that the American Congress approved Bangladesh Disaster Assistance Bill, 1988. To enact law to help a friendly state is without doubt a rare example. It is worthy of note that after passage of this bill a delegation of Congress men under the leadership of the Chairman of the sub-committee of the House of Representatives on Asia and Pacific Affairs recently visited Bangladesh. Not only that, the First Lady of France came to Bangladesh to stand by the flood-stricken people. The French President also sent his special envoy Mr Attali. He also sent a high-powered expert team at his personal initiative. Michael Camdessus, the Managing Director of the International Monetary Fund also came to Bangladesh. Saudi Arabia, Iraq, China and India sent helicopters to carry relief goods to flood-hit areas. Besides, almost all the countries and agencies of the world extended their helping hands. In short, it can be stated due to sympathy and support of the international community Bangladesh flood in 1988 has received recognition as a humanitarian problem.

Mr Speaker,

Flood, cyclone and tidal bore have struck Bangladesh in the past. But never it could arouse sympathy and support of the world conscience as it did last year. It was never felt so clearly before as was felt last year. The help, support and sympathy of the world community did not come all of a sudden. For this as a nation we had to stand many a test. The continued and unimpeded development process we have set in motion by our ceaseless effort during the past seven years in particular has generated confidence in the world community that as a nation we may be poor, but we do not want to live on the mercy and compassion of others for all times to come. We want to change our destiny by our hard work. I said

this with firmness at Washington on November 18 during a lunch with the American Senators, Congress men, and heads of different agencies and organizations. During the floods they have noted that we have not been frightened by the calamity. They have noticed we have fought it with courage. What is more, they have watched us fight floods with whatever we have at our disposal instead of depending on foreign assistance. Besides, the unity forged in our national life in combating the calamity encouraged the international community to stand by us.

Mr Speaker,

In this connection I want to point out in brief our initiatives and efforts in this regard. You possible remember during the frightful fury of flood I explained my government's attitude towards it. I proposed the joint meeting of the experts of India, Bangladesh, Nepal, Bhutan and China. The policy and outlook of my administration with regard to permanent solution of flood are quite clear. We think it is possible to secure durable solution to this problem through regional approach and international support and assistance. It is a matter of joy for us that the world opinion is in favor of our policy.

Our programme in this regard can be divided into two parts. Finally, we should seek regional cooperation and international support for securing permanent solution to the problem. Secondly, pending permanent solution to the problem we must take steps to safeguard life and property in the face of possible future calamities. We have achieved significant progress in both the programmes. Our achievements in these regards can be discussed in the House. At first, I am presenting our activities in regional and international fields. You will possibly recall I visited India, Nepal and Bhutan soon after the floods or perhaps right during the floods. I have informed you of the results of those visits. I do not want to recapitulate that. In quest of regional solution my last port of call was the People's Republic of China. China lent full support to our outlook on the problem and pledged to extend any cooperation in seeking permanent solution to the problem of flood. In continuation of that a team of Chinese experts under the leadership of their Water Development Minister Yang Zang Hwei recently visited Bangladesh. They assured us that China with her valuable experience in flood control stands prepared to render all-out support to Bangladesh. During my visit to China I invited the Prime Minister of China to visit Bangladesh. He has accepted my invitation. I firmly believe during his visit all matters including flood will be discussed to widen the area of cooperation between our two fraternal countries.

Mr Speaker,

The problems of natural disasters in particular and those of entire region in general also received prominence in the recently concluded 4th SAARC summit. It called for completing within shortest possible survey to determine

the cause of natural disasters and to devise ways and means of protecting environment. The SAARC [South Asian Association for Regional Cooperation] summit has widened the horizon of regional cooperation. The leader of seven countries met to discuss various issues and search solution to problems. This is a big achievement which cannot be evaluated in terms of statistical data. I got the opportunity to discuss mutual and bilateral issues with the leaders of member states within the ambit of SAARC. Bangladesh is determined to reach the destined goal of SAARC.

I have stated before about the spontaneous international support and cooperation we have received. But side by side we have not remained inactive. I visited the United States and had fruitful discussion with former President Ronald Reagan. The present President George Bush in a letter assured me of mutual cooperation between the two countries. All these make it clear that natural calamity of Bangladesh is no longer the problem of Bangladesh alone but the environmental problem of the whole world. The international community will have to play their respective roles in resolving this problem. This is the truth we have been able to establish. These are undoubtedly remarkable progress in our effort to seek solution to the problem of flood. But it is undeniable, we have to go a long and hazardous way in our endeavour to achieve lasting solution to the problem of flood. Eminent experts abroad have warned that Bangladesh may have to fall prey to floods every year due to environmental imbalance.

We, therefore, cannot remain inactive under such a circumstance. We have to take preparatory measures to face possible calamities in future. We may not be able to resist floods fully. But we should at least take a programme to mitigate suffering of the people and reduce loss of life and property by recasting organizational and infrastructural arrangements. It is not necessary to explain to you in details how much my government and I are specially aware and active in overcoming this problem.

A special session of the parliament was held on October 16 to facilitate discussion on the problem of flood and to draw up policy and plan of action in this regard. You will probably remember I placed before that session an 11-point short-term plan of action and 15-point mid-term and long-term programmes on the question of flood. I can say now within three and a half months from October 16 the process of implementation of the 11-point immediate programme of action has started. Some of the projects have already been implemented. I shall refer to some of the programmes which have been taken up for implementation to mitigate the sufferings of the people.

During the last flood when the whole country was under an unprecedented deluge, the communication network, suffered very badly. At various places there were no spaces left for airlifting relief materials. The work for



building helipads in phases at upazila level has already started to evade such a crisis. During the flood a small patch of dry land in vast areas where people with their poultry cattle heads and other necessities of life can take shelter becomes scarce. That is why it has been decided to construct at least one multi-purpose pucca shelter in each and every ward at union level. The target for construction of one such shelter at each union before the next monsoon has been set. Lands are being raised for accommodating cluster villages for the shelterless so that these villages can provide shelter to masses of people during the flood. During the flood tubewells go under water. As a result, people are forced to take contaminated water. It has been decided to install tubewells on sufficiently raised lands, alongside arrangements have been made to augment oral saline production for consumption. During the floods the communication networks are faced with great difficulty. It has been decided to improve the inland transport system to resolve this problem. The dredging of rivers at different points has also started. I now declare with great pleasure that work for excavating seven moribund rivers is going to start from tomorrow. I myself shall inaugurate the dredging of the old Brahmaputra and the Buri Teesta. This programme will continue in the future. A high-powered committee is working round the clock to protect the capital city of Dhaka from onslaught of flood.

Mr Speaker,

I want to give an assurance to the people through you that a substantial portion of these programmes will be completed before the next monsoon. Besides, certain projects durable nature have also been taken in hand. The feeble dwelling houses of our villagers are often washed away by flood waters. Movable dwelling houses which can be built at cheaper costs and within the shortest possible time have been invested. Such houses are under construction in factories. Floods normally cannot damage such houses. Our scientists have discovered seeds for raising crops and harvesting them before the floods. Bangladesh Rice Research Institute has presented us two varieties of transplanted aman crops namely BR-22 and BR-23 which can be sown at the end of September. We have to make alternative arrangement as long as we are able to find permanent solution to the problem of flood. It is necessary to revise our cropping pattern. In other words, we have to think about harvesting one crop before the flood and one after it. It is heartening to note the scientists are also experimenting on seeds which cannot be destroyed by floods.

Mr Speaker,

A flood is a calamity which destroys innumerable households. People are compelled to take loans for their sheer survival in the face of calamity from money lenders, landlords and banks. But due to consecutive calamities, often due to high rates of interest and often due to unfavorable terms and conditions they fail to repay the loans. As a result, farmers lose their farm-lands, hearths

and homes and finally become paupers. In a sovereign country it is not possible to witness such painful stories repeating themselves year after year. That is why I have formed the Rin Shalishi Board (the National Debt Settlement Board) on first of January. The Board has gone into operation at once. By yesterday Debt Settlement Boards have been constituted up to Upazila level. As Chairman of the debt Settlement Board I have given certain important decisions on institutional credit in the first meeting of the Board yesterday. I want to make announcement of those decisions through you to the people. The decisions are as follows:

(1)The scope of Finance Ministry's circular of 1986 relating to exemption of penalty interest and general interest can be applied to agricultural credit, specially credits for farm produce, and banks will exempt interest on such credits if applied by the loanees.

(2)The Board of Directors of the banks or their executive committees will hold meetings at the regional level to dispose off on urgent basis the prayer of the distressed farmers for exemption of their credit.

(3)Banks will make necessary arrangements to dispose off the certificate cases not exceeding 3000 taka outside the perview of the law courts.

I am quite certain this Debt Settlement Board will bring about epoch-making transformation in the rural life of Bangladesh. I believe it will call a halt to the process of impoverization of small and marginal farmers which is being continued for the past two hundred years. I know the formation of this boards is creating impediments in the transfer of land among common men. But these difficulties are temporary. To remove a heavy stone which was lying on us for the past two hundred years will cause some difficulty. But I am now declaring from the podium of the national parliament that the prohibitory rules imposed on the transfer of land and property to prevent post flood disaster sale of land of the poor and marginal farmers will stand withdrawn from henceforth. In future the Board will operate and try to remove difficulties of the commonman in the light of practical experiences because it has been formed to ease the problem of the commonman.

To change the lot and reach the fruit of liberation to the doorsteps of commonman it is vitally necessary to relieve hundreds of thousands of educated and uneducated youths of the curse of unemployment. In a country like ours where land is so scarce it is not possible to employ such a vast manpower in the agriculture sector. What is, therefore, urgently necessary is rapid industrialization. Again industrialization is also not possible if the agriculturists, who form the larger segments of society, are made financially solvent. That is the reason why side by side with the Debt Settlement Board I have formed the Investment Board on the same day, that is on January 1. It was difficult to set up mills and factories by overcoming bottlenecks created by various ministries

and loan-giving agencies. The National Investment Board will help accelerate the pace of industrialization and give necessary sense of direction to private investors to enable them to set up their industrial units within minimum possible time.

Mr Speaker,

It is worthy of note that nature has started behaving in quite an erratic way not only in Bangladesh but also throughout the world. If we take the case of 1988, we shall find frightful floods have struck Afghanistan, Algeria, Benin, Chad, Ethiopia, Nepal, China, Sudan, Thailand, India, Pakistan and various other countries. Cyclone hit Bangladesh, Costa Rica, Haiti, Jamaica, Nicaragua, Philippines and a number of other countries. Earthquake battered a number of countries including Nepal and the Soviet Union. In fact, the year 1988 may well be identified as the year of natural calamity.

We must ponder over the adverse behavior of nature and try to make this planet of ours habitable for future generation. The eminent scientists all over the world have expressed apprehension that if the atmospheric changes that have taken place and are still taking place continue unabated, then many low-lying coastal countries will go under the sea. The scientists also apprehend if that catastrophic event occurs history of human civilization will witness the greatest mass exodus. All people, countries and nations, big and small, rich and poor have a role to play in mitigating the adverseness of nature. I hope this august house will play an effective role in mobilizing public opinion on this vital question.

Mr Speaker,

Despite so much of suffering the grand national unity generated by the last flood in our life is invaluable. I believe our unity will give us strength and courage to overcome all crises and help us reach the portals of success. Prompted by this faith I have given an institutional share to the unity created during the flood under the name "National Disaster Resistance Council". The sole objective of the National Disaster Resistance Council is to stand by the distressed humanity during the calamity or in the face of possible calamity. This Council consists of the representatives of political parties regardless of their affiliation with the government and the opposition, experts, scientists, social scientists, social workers and representatives of different professional groups and strata of life. In fact, the National Disaster Resistance Council is a unique symbol of national unity. I believe if we remain imbued with the consciousness nourished by this institution we shall under no circumstance be destroyed by any danger despite our differences and ideological disputes. In fact, the utility of National Disaster Resistance Council has been proved in the meantime. The two sub-committees constituted under the jurisdiction of the National Disaster Resistance Council have submitted their valuable recommendations and the government is accepting those recommendations.

Mr Speaker,

Certain elements which have remained vague in our national politics are being added to it. Our society is becoming relatively more respectful to constitutional politics than before. This mentality will certainly augur well. I welcome this process. Instead of malice, hatred and destruction, mutual cooperation and tolerance and respect for each others views can help flower democratic values in the life of a nation. I have noted with great pleasure that despite unfavorable conditions this process has started manifesting itself slowly in our national politics. Standing on the podium of this parliament I invite all political parties and groups to come forward to cause fruition of this process and help accelerate it. Let us hold aloft democratic values in our social, political, economic and cultural and, in short, in all sectors of our national life.

Now I shall say a few words on administrative system. Administration is the driving force of a statecraft. Happiness of the people depend to a large extent on the administration. The major work of an administrative system of a sovereign nation is to ensure welfare of the people. Is the administrative system we have inherited a legacy is consistent with the fundamental requirements of an independent country? I raise this question before you and through you to the people as food for thought.

Mr Speaker,

We have come to the close of the 20th century. Standing on the threshold of the 21st century we hear the footsteps of the worldwide change in all sectors. In the global scenario one can notice tension and conflict yielding place to peace and understanding. As I have already stated we find reflection of this process in our national politics. A clear philosophy can help advance this process. The clearer will be our thoughts and outlook, easier will be our march to destined goal.

I want to tell you that our national progress will not be made possible if we remain bound by narrowness and conservatism of any political theory or concept. Our philosophy is one and that is unshakable faith and confidence in Allah, the merciful, national development, welfare of mankind, village-oriented economy and administration, no compromise on the question of national interest, unimpeded expansion of industries without any hindrance and modern outlook in all matters. If we adopt this philosophy as the quintessence of our politics, then the negative politics of slogan will end for all times to come and mark the beginning of production-oriented realistic politics complementary to our national and social progress and welfare of the people. Let us all adopt this desirable political process in our

national life as well as in international arena. It is possible to resolve all our accumulated problems along this way alone. It is through welfare and service to humanity at large that we can make this universe habitable for our future generation.

The Almighty Allah has said in the Holy Quran:

And you do good to humanity at large

As Almighty Allah has done to you

Do not create any more unrest.

Khoda Hafez Bangladesh Zindabad.

### **Ershad Takes Steps To Ease Small Farmers' Problems**

#### **New Panel's Powers**

46001327 Dhaka THE BANGLADESH OBSERVER  
in English 2 Jan 89 pp 1, 8

[Text] President Hussain Muhammad Ershad on Sunday announced the formation of an 18-member Jatiya Rin Salishi Board saying that this would have a far reaching contribution in improving the lot of small and marginal farmers, reports BSS.

Addressing the nation over radio and television the President said "I believe we shall have to remove the curse of exploitation from the society for real emancipation of the peasants."

Giving the seven-point outlines of jurisdiction of the board, President Ershad said it would review the debt problem of small and marginal farmers and sharecroppers.

It will study and review the existing system and amount of institutional and non-institutional agriculture loans.

The board will review and take decisions regarding the existing interest rates including that of compound ones of non-institutional and institutional agriculture credits.

It will undertake phase-wise review of the activities and proper implementation of actions of Jatiya Rin Salishi Board. The board will review the prevention of disaster time transfer of lands belonging to small and marginal farmers as well as the reduction of such incidence.

It will review any subject related to agriculture credits and village credits.

The board will take decisions and steps regarding the given outlines of jurisdiction.

President Ershad said he himself would head the Jatiya Rin Salishi Board which would have local level boards under the national board.

The President also gave brief outlines of seven specific areas for which the board would be able to take decisions.

(1) The board will take decision on the applications regarding cash loans, crop loans or seed loans or given by individuals or mahazans.

(2) It will take decisions on the applications for getting return of the signed or thumb impressed blank papers of the loanees.

(3) It will take decisions regarding the applications for cancelling the purchase of lands by converting the purchase price into interest free loans if the purchased price was below the existing market rates.

(4) The board will take decision on the applications to transform the sale deeds of specific prices into usufructuary mortgage deeds (Khaikhalashi Bandhaki Dalil) within specific time period.

(5) It will take decision on the application for rationalising the rate of interests in the cases of high interest rates.

(6) The board will take decision on the applications for rationalising instalments for refunding the loans taken by farmers.

(7) It will take decision on applications for return of mortgaged or usufructuary (Khaikhalashi) lands to its owners from Mahazans in appropriate cases.

The President said the board would take decisions or give award through compromise between the loanees and the Mahazans. There would be scope of appeal against the decision of the board but there would be no scope of instituting cases in the court, he said.

He said another important aspect of the working of the board was that the loanees need not have to be get harassed by useless shuttling to towns. Instead, he said, the board itself would reach the doorsteps of the farmers.

President Ershad said the board would listen to both sides and review their papers at the union parishad office and will reach compromised settlement within the shortest possible time.

President Ershad recalled the contributions of late Sher-e-Bangla A. K. Fazlul Huq who about 50 years ago could realise the sufferings of the farmers and formed Rin Salishi Board for their welfare.

The President appealed to all to forget all differences and with united efforts make the activities of the board a success bringing an end to the sufferings of the poor farmers.

Another message says: The Jatiya Rin Shalishi [as published] Board has come into force with effect from Sunday.

President Hussain Muhammad Ershad earlier approved the ordinance for the formation of the board at a ceremony held at the President's Secretariat here.

The President also signed the ordinance forming the Rin Shalishi Board. The Ordinance will be effective from Sunday.

#### **Ershad Heads Panel**

46001327 Dhaka *THE BANGLADESH OBSERVER*  
in English 2 Jan 89 p 1

[Text] An 18-member "Jatiya Rin Salishi Board" was on Sunday constituted with the President as its Chairman to review, formulate principles and to take decisions at the highest level on all institutional and non-institutional agricultural and rural credit, it was announced in Dhaka, reports BSS.

The announcement said the Board would review indebtedness of the small and marginal farmers and sharecroppers. It would also study and review the existing system and institutional and non-institutional farm loans and existing rate of interest including that of compound interests of the institutional and non-institutional credits.

The Jatiya Rin Salishi Board will come into force immediately, the announcement said.

The Board will meet at least twice a year and it will review all the matters relating to agricultural loans operative from the first of Baishak, 1389 (Bangla).

The Land Ministry will extend all sectorial assistance to the board.

All the Rin Salishi Boards at Upazila level will discharge their responsibilities under the overall supervision of the Jatiya Rin Salishi Board.

Other members of the Jatiya Rin Salishi Board are the Deputy Prime Minister Prof. M. A. Matin, Deputy Prime Minister and Political Adviser to the President Kazi Zafar Ahmed, the Health and Family Planning Minister, Mr. M. A. Munim, Relief and Rehabilitation Minister, Mr. Serajul Hossain Khan, the Land Minister, Mr. Sunil Gupta, the Works Minister, Mr. Mostafa Jamal Haider, the Social Welfare and Women Affairs Minister, Mr. Rezwanaul Huq Chowdhury, the Finance Minister, Dr. Wahidul Huq, the State Minister for Land, Mr. Tajul Islam Chowdhury, the Governor of Bangladesh Bank, and seven peasant leaders or experts nominated by the Government.

The Secretary of Land Ministry will act as the Member-Secretary the announcement added.

#### **Joint Panel With Nepal Meets in Dhaka** 46001326 Dhaka *THE NEW NATION* in English 6 Jan 89 pp 1, 8

[Text] The three-day seventh session of Joint Economic Commission of Bangladesh and Nepal concluded in Dhaka yesterday with the decision to step up bilateral relations in the fields of trade, commerce and joined venture projects to the economic benefit of the two friendly countries, reports BSS.

The two sides agreed to take further steps on setting up of cement clinker factory on joint venture either in Nepal or in Bangladesh based on Nepalese limestone. The issues of a joint venture pharmaceutical factory in Nepal was also discussed and examined in details. They also agreed to exchange visits for further examination and feasibility on the project.

A joint press release issued after the concluding session of Joint Economic Commission set up in 1978 said that the meeting was held in an atmosphere of "friendship, understanding and cordiality". The commission also reviewed the existing cooperative relations between the two countries and emphasised the need for further greater cooperation between them in the field of industry, trade and commerce, transit trade, civil aviation and tourism, communication including rail, road and telecommunication, education, flood control and water resources and agriculture.

The eleven-member delegation of Nepal was led by its Finance Minister Mr. B. B. Pradhan while the 16-member delegation was headed by Planning Minister Air Vice Marshal (Retd) A. K. Khandaker.

During the meeting both Nepal and Bangladesh have agreed to utilise each other's expertise in the field of small scale industries and jute mills. The two sides noted with satisfaction the formation of Nepal-Bangladesh joint study team to make recommendations of measures for mitigation of flood and exploitation of water resources of the region.

The joint press release said the Nepalese side express their sincere appreciation for providing facilities to Nepalese students in various academic courses in Bangladesh on both fellowships and self-financing basis. Nepal also expressed its readiness to provide training facilities for junior technicians of Bangladesh on fresh water aquaculture. Bangladesh also offered training facilities for Nepalese personnel at Bangladesh Agriculture Research Institute (BA-RI) in the production technique of plain land pulses, oil seeds and wheat.

The commission which met in two plenary and one concluding sessions also took note of the existing poor turnover of trade between the two countries and in adequate transit and land transport facilities. It agreed to continue discussions to find out ways and means for expansion and diversification of trade.

Both the sides felt that the problem of transit trade could be resolved in the SAARC [South Asian Association for Regional Cooperation] framework of cooperation. Nepal and Bangladesh also agreed to convene a technical meeting of telecom officials of the two countries to consider replacement of the existing UHF [Ultra High Frequency] link by digital microwave radio link in order to rectify certain defects of the present UHF link.

The joint press release said that the next session of the commission would be held in Kathmandu some time in January 1990. An agreed minutes on the deliberations of the seventh session was also signed.

The Nepalese Finance Minister, during his stay here, called on President Hussain Muhammad Ershad, Prime Minister Moudud Ahmed and Finance Minister Dr Wahidul Huq. He also visited Graming-Bank at Manikgonj.

Mr Pradhan is scheduled to leave Dhaka for Kathmandu today.

**Foreign Minister: Tin Bigha Issue Unresolved**  
46001317 Dhaka THE NEW NATION in English  
9 Feb 89 pp 1, 8

[Text] Foreign Minister Anisul Islam Mahmud yesterday told Parliament that India had assured Bangladesh at the highest level several times about handing over of the Tin Bigha corridor for her two enclaves—Dahagram and Angorpota.

Replying to a written question from Munshi Abdul Latif from Rajbari-1 in the morning, the foreign minister said though Bangladesh had taken up the issue of handing over of the corridor several times with India it could not be resolved as the Indian side referred to a case pending with the Indian Supreme Court for disposal.

Mr Mahmud also referred to two agreements with India the Indo-Bangladesh land boundary agreement signed in 1974 and again in 1982 for leasing out the Tin Bigha corridor in perpetuity to Bangladesh. The Indian Government said handing over of the corridor was suspended following the case with the Supreme Court.

Replying to a supplementary question, the foreign minister said the government was deeply concerned about getting the Tin Bigha corridor as was evident from the visit of President Ershad to the two enclaves, first ever by a president of the country.

Replying to another question from Abdus Sattar Master from Lashkipur-3, the foreign minister told parliament that the government was in touch with Indian and Pakistani governments to ascertain the exact number of Bangladesh nationals detained in jails in the two countries. Steps were also being taken by the government to ascertain the number of Bangladesh nationals detained in jail in any other countries.

Giving a breakdown of the 110 Bangladesh nationals detained abroad, the foreign minister said two were in jail in West Germany, one in Canada, 11 in Australia, 14 in Bahrain, 4 in Iran, one in the Maldives, one in Soviet Union, one in United Kingdom, one in Singapore and 13 in Saudi Arabia.

He told S M Nuruzzaman from Naogaon-2 that all necessary steps were taken for the return of one, Md. Khalilur Rahman of Bhadsa union in Joipurhat district, now detained in a Pakistani jail, following on appeal from his father.

**Commerce Minister Discusses Deficit in Trade Balance**  
46001316 Dhaka THE BANGLADESH OBSERVER  
in English 14 Feb 89 pp 1, 10

[Text] The country's trade deficit during the last 16 years since the liberation now amounts to Taka 43,964.98 crore.

This was disclosed by Commerce Minister Addus Sattar in the Jatiya Sangsad on Monday. Replying to a question, he informed that the trade deficit with India since the liberation of the country stood at Taka 1,258.33 crore. He said that the last year's trade deficit was Taka 5,629.86 crore.

The Commerce Minister attributed the country's huge trade deficit to import of petroleum products and machinery and procurement of food-grains to meet the crop loss by natural calamities. He claimed that the export earnings of the country increased substantially during the last few years. He pointed out that the Government had taken a number of steps to reduce the trade deficit by boosting export and discarding unnecessary import.

In reply to another question, the Commerce Minister told the House that the country earned Taka 3,728.76 crore by exporting garments during the last six years beginning from 1976. He informed that the earnings from garments export last year were Taka 1,342.13 crore comparing to the earning of Taka 1 crore only in 1979-80.

Replying to a supplementary question, Deputy Prime Minister in charge of Labour and Manpower Shah Moazzem Hossain informed that more than two lakh workers were involved with the garment industries in the country.

The Commerce Minister disclosed that the country's earnings from tea export last year were Taka 127 crore while the export target during the current fiscal year had been fixed at 30 million kg worth Taka 154 crore. He informed that last year's tea production was 42.75 million kg of which 26.19 million kg were exported.

In reply to a question, the Commerce Minister told the House that permission had been given for import of 330,500 metric tons of salt during the current fiscal year of which 176,692 tons had already been imported at a cost of Taka 3,138,992. He informed that the commercial importers had been given permits to import 56,000 tons of refined and crushed salt this year. He said that the import of salt had become necessary to meet the deficit. He added that 20,000 tons of salt were imported in 1986-87 and 179,000 tons in 1987-88.

While replying to a call attention notice in the House, Food Minister Iqbal Hossain Chowdhury said that the Government had decided to build an all-time salt security reserve of 50,000 tons to meet any salt crisis in the country. He said that the Government would construct more godowns in the country to store salt. At present the Government godowns had a capacity to stock 62,000 tons.

### Developments in Trade, Cooperation With Japan

**Commercial, Economic Joint Panel Meets**  
46001319 Dhaka THE BANGLADESH OBSERVER  
in English 7 Feb 89 p 10

[Text] Prime Minister Moudud Ahmed on Monday urged foreign entrepreneurs particularly the Japanese to visit Bangladesh to see for themselves the facilities available for investment, reports BSS.

He said the Bangladesh Government over the years has been consistently trying to create a congenial atmosphere for foreign investment adding: necessary enactments have already been made in that direction.

Mr Ahmed who is in charge of the Ministry of Industries, was speaking at the opening of the fourth meeting of Bangladesh-Japan joint committee for commercial and economic cooperation in Dhaka at a hotel. The inaugural session of the two-day meeting were addressed among others by Commerce Minister Mr M.A. Sattar, Mr Kikuo Ikeda, Leader of Japanese delegation and ambassador to Bangladesh and Mr Akhtaruzzaman Chowdhury, President, Federation of Bangladesh Chamber of Commerce and Industry (FBCCI).

The Prime Minister said besides the huge unutilized manpower, Bangladesh has other resources like coastal wealth, oil, gas, hardstone, hides and skin. He said what Bangladesh needed was a package of capital and technology and that Japan with huge surplus money could easily make the investment.

Referring to various facilities offered to foreign investors, the Prime Minister said the Government guarantees repatriation of capital by law and has a good record of paying dividends quickly. So far investment is concerned "we offer facilities better than India, Pakistan and even Thailand", he added.

Speaking about the formation of Board of Investment [BOI] recently, the Prime Minister said only three countries (Malaysia, Thailand and South Korea) of the region could claim to have bodies to facilitated investment. The Prime Minister stressed that the formation of BOI reflects government's firm determination to carry forward its investment policy for attracting entrepreneurs from all corners of the globe.

About the steps taken recently to encourage private investment, the Prime Minister said besides auctioning 558 industries, the Government has off-loaded 49 percent shares from 12 public sector units in the last ten months. About the same number of units including sugar mills will be opened for private investment, he added. He said Government's decision to privatize T and T Board is a great step forward to solidify the private sector.

The Prime Minister said although Bangladesh is an agrarian country, we want to lessen the dependence on agriculture to make room for industrial expansion. "We must have a solid industrial base in the country to improve the quality of life of our people," he added.

Earlier, at the outset, the Prime Minister paid glowing tributes to late Emperor Hirohito. Describing Hirohito as a great friend of Bangladesh Mr Ahmed noted that because of his (Emperor Hirohito's) personal good wishes Bangladesh received generous help from Japan which contributed considerably to its development.

Commerce Minister Mr Sattar said Bangladesh attaches great importance to its relationship with Japan which is "deep rooted" adding Japan is the source of constant inspiration in our relentless effort at self reliance and development.

Referring to the current meeting of the joint committee, the Commerce Minister hoped that it will consolidate the work done already and open up new areas of cooperation between the two countries.

Addressing the inaugural session Mr Ikeda called for expeditious implementation of the policies regarding the Board of Investment. He expressed the hope that the steps taken recently would "mitigate the problems" faced by both domestic and foreign businessmen. The leader of the Japanese delegation said the implementation of policy will make a major contribution to enhancing Bangladesh's desirability as an investment site.

The Chairman of Joint Committee informed that the volume of two-way trade had increased by 21.4 per cent in seven years beginning 1980, when the committee was formed. He said Bangladesh's export to Japan during the period tripled in value.

Earlier at the outset of the meeting one minute of silence was observed to pay respect to late Japanese Emperor Hirohito.

The inaugural session also heard the messages sent by President Ershad, Japanese Premier Noburu Takeshita on the occasion of holding the meeting.

#### **Press Conference on Panel Meet**

46001319 Dhaka THE NEW NATION in English  
8 Feb 89 pp 1, 8

[Text] Leader of the visiting Japanese trade and investors team Mr Kikuo Ikeda said in Dhaka yesterday that the Japanese overseas private investors would like to get the coverage of Overseas Investment Guarantee Insurance Scheme of their government for an accelerated pace of their investments in Bangladesh.

He told the newsmen at a press conference at the close of the two-day fourth meeting of Japan-Bangladesh Joint Committee for Commercial and Economic Cooperation at a city hotel that the reduction of "investment-related risks" in Bangladesh would be a prime factor for stepping up private investment flows from Japan.

Earlier, Mr Akhtaruzzaman Chowdhury, President, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and newly elected Chairman of the Joint Committee, said at the press conference that bilateral discussions at the government level between Bangladesh and Japan would continue to conclude agreements or arrangements for avoidance of double taxation and coverage of Japanese investment guarantee scheme to potential Japanese investors in Bangladesh. At present, such coverage exists for the Japanese investors in Pakistan and Sri Lanka in South Asian region, he added.

Summing up the discussions at the fourth meeting of Japan-Bangladesh Joint Committee for Commercial and Economic Cooperation, Mr Akhtaruzzaman Chowdhury stated that the deliberations at the meeting, spread over six sessions, were quite "positive" and "fruitful" for forging closer economic cooperation between the two countries. The leader of the Japanese delegation to the meeting also shared the views of the FBCCI Chief and termed the meeting as "successful" and "very productive."

Mr Akhtaruzzaman Chowdhury stated that Japan had agreed to offer technical assistance support to the recently-created Board of Investment in Bangladesh to help ensure effective operations by it in fulfillment of its stated objectives and goals. He also mentioned about the meeting of the visiting Japanese delegation with President Ershad and said that the discussions with the President were quite helpful in exposure of the Government's priority for attracting more foreign private investments to Bangladesh. He said that a ten-member Japanese investor and trade delegation would be visiting tomorrow the Export Processing Zone at Chittagong.

The FBCCI Chief said that Japan had underlined the need for market studies for boosting Bangladesh's exports not only to Japan but also to third countries with the support and assistance of Japanese marketing and other related agencies.

Mr M. Morshed Khan, President, Bangladesh Chamber of Industries, informed the newsmen at the press conference that the Bangladesh side at the meeting of the Joint Committee had suggested for increased Japanese technical assistance for a gradual transfer of technology through effective subcontracting and other linkage arrangements and also through preparation of a list of identified technology. A proposal for setting up a vocational training institute in the private sector in Bangladesh with technical assistance by Japan has also been mooted and the proposal had received a favorable response from the Japanese side, he added.

He stated that cooperation between the two countries in the field of manpower export to Japan and other countries by Bangladesh was also discussed in the meeting.

Meanwhile, the leader of the Japanese delegation Mr Kikuo Ikeda, when asked to comment on the investment climate and opportunities in Bangladesh in comparison to other countries in South East Asia and South Asia including Thailand where foreign private investments had recently recorded a phenomenal surge, evaded a direct reply.

Mr Ikeda who is also the President of Nippon Koai Co. Ltd. noted in this connection that the Japanese private investments in Thailand were mostly in small industries. In Bangladesh, Japanese investments included both public and private, covered diverse areas including infrastructural and fertilizer projects, he added. He, however, expressed the hope that there would be more Japanese private investment flows to Bangladesh with "privatization getting stronger here."

When pressed to quantify Japanese private investments in Bangladesh, the leader of the Japanese delegation informed the newsmen that cumulative Japanese private investments in Bangladesh totalled only eleven million dollars till 1987.

Replying to another question on imbalances against Bangladesh in its bilateral trade with Japan, Mr Ikeda said, "It is of course desirable to increase Bangladesh's exports not only to Japan but also to other parts of the world". Japan is willing to extend all necessary support and cooperation to Bangladesh in this connection, he added.

#### **Gap in Trade With Japan**

46001319 Dhaka THE NEW NATION in English  
4 Feb 89 pp 1, 8

[Article by Hassan Abul Quasem]

[Text] Bangladesh has incurred a trade imbalance with Japan amounting to 1457 million dollars equivalent to over Taka 3420 crore during the last seven years.

Bangladesh suffered setbacks in trade transactions with Japan from fiscal 1981 to 89 as its export lagged far behind its import. The deficit increased fast as Bangladesh had to import in exchange of freely convertible currency in the absence of trade agreement between the two countries.

Though a considerable portion of Bangladesh's import was financed with Japanese grant. Japan's negative attitude towards importing traditional and non-traditional items from Bangladesh and its reluctance to provide export facilities to Bangladesh under the generalized system of preference (GSP) are creating hindrance to mutually beneficial expansion of trade between the two countries.

In 1980-81 fiscal year Bangladesh suffered trade deficit of 281.70 million dollars equivalent to Tk 450.8 crore with exports worth over Tk 35.7 crore and imports worth over Tk 486.5 crore. The deficit increased to the level of 287.25 million dollars equivalent to over Tk 560 crore the following year (1981-82).

The trade deficit, however, declined to about 169 million dollars in fiscal 83, 162.46 million dollars in fiscal 84.

The deficit again rose to over 233 million dollars in 1984-85 fiscal year, according to official figures. It declined to over 116 million dollars in the year 1985-86 and then to 73 million dollars in fiscal 87. The trade deficit with Japan was 102 million dollars last year. The deficit was estimated at 32.52 million dollars during the first quarter of the current financial year.

Unofficial sources, however, put the figures relating to trade deficit at much higher level. According to trade circles, Bangladesh's trade deficits rose to 175 million dollars in fiscal 86, 209 million dollars in fiscal 87 and 237 million dollars in fiscal 88.

The trade deficits rapidly increased due to slow growth of Japan's import from Bangladesh as against its export. This was so because of Japan's liberal assistance to Bangladesh mostly tied with procurement from Japanese sources. Japan has emerged as the largest bilateral donor to Bangladesh which was mainly routed through the imports of Japanese machinery, industrial raw materials and spares for Bangladesh's development projects, official sources said.

On the other hand, trade circles believe that Bangladesh has an extremely narrow product base to offer items to Japan in order to narrow the yawning trade gap.

This was partly responsible for the poor growth of Bangladesh's export to Japan. Besides, the quality of Bangladeshi goods and its range do not suit Japanese market. Japan is also not ready to give concessional treatment to Bangladeshi products in its market.

Bangladesh exports to Japan food and live animals, fruits and vegetables, hides and skin, fur skin, pulp and paper, textile fabrics, textile yarn, clothing, ready made garments, etc. It imports 46 items including manufactured goods, machinery and transport equipment, miscellaneous manufactured items, crude materials, beverage, tobacco, etc.

Currently Japan has four joint venture projects in Bangladesh.

Japanese sources said they have seven joint venture projects in Bangladesh.

Against this backdrop, the fourth meeting of Japan-Bangladesh joint committee for commercial and economic cooperation will be held in Dhaka on February 6-7. A 40-member Japanese delegation led by Kikuo Ikeda will participate in the meeting. The delegation will comprise almost all the leading Japanese multinationals.

Bangladesh is trying to impress upon the Japanese investors for investing in Bangladesh in some prospective fields including electronics; jute and jute goods, ready made garments, synthetics, leather and leather products, frozen food, petro chemical, natural gas and engineering industries.

The joint committee was formed in 1980.

#### Japanese Grant

46001319 Dhaka THE BANGLADESH OBSERVER  
in English 13 Feb 89 p 10

[Text] Bangladesh will receive from Japan a grant assistance of 76 million yen (approximately Tk two crore) under the terms of an exchange of notes signed in Dhaka on Sunday between the two governments according to an External Resources Division Press release, reports BSS.

The grant will utilized to prepare a detailed design for the implementation of the Narayanganj-Narsingdi Irrigation Project. During fiscal year 1981 Japan implemented the Narayanganj-Narsingdi pilot project under grant assistance and also extended assistance for the rehabilitation of its flood damaged portion during fiscal years 1987 and 1988.

The exchange of notes were signed by Mr Ayub Quadri Joint Secretary, External Resources Division, Ministry of Planning and Mr Takeo Iguchi Ambassador of Japan in Bangladesh.

Japan has so far extended to Bangladesh a total assistance amounting to 500.498 billion of which 143.429 billion is grant and 357.069 billion is loan.



**Tribunals Set Up To Hear Election Complaints**  
46001324 Dhaka THE BANGLADESH OBSERVER  
in English 1 Feb 89 p 1

[Text] The Election Commission has appointed 55 election tribunals to dispose of the election petitions in connection with the recently concluded elections to the Pourashavas. An official Gazette notification issued on Tuesday said the jurisdiction of each tribunal has been specified also.

It may be recalled here the elections were held in 80 Pourashavas out of 86. Election was stayed by the Supreme Court in 6 seats. The Opposition parties have alleged widespread rigging in the elections.

Fifty-two Sub-Judges have been appointed as the Election Tribunals for the Pourashavas assigned to them. The Deputy Commissioners of Rangamati, Khagrachari and Bandarban districts have been appointed as the Election Tribunals for Rangamati, Khagrachari and Bandarban Paurashavas respectively.

Rule 42 of the Pourashava (Election) Rules, 1977 provides that:

a. An election petition shall be presented to tribunal within 30 days next after the publication of the names of the returned candidates in the official gazette.

b. The election petition shall be presented to the tribunal either by the candidate in person or by a person duly authorised by him in writing in this behalf.

c. Every election petition shall be accompanied by a receipt showing a deposit of 500 taka in any branch of the Sonali Bank or a government treasury or sub-treasury in favour of the Returning Officer concerned as security for the costs of the petition.

4. Rule 43 of the above mentioned Rules provides that, the petitioner may claim as relief any of the following declarations—

a. That the election of any returned candidate is void and that the petitioner or some other person has been duly elected; or

b. That the election as a whole is void.

5. An election petition may be withdrawn by a petitioner at any time during the course of the trial.

**Chittagong Tribal Leaders Sign Joint Communiqué**  
46001312 Dhaka THE BANGLADESH OBSERVER  
in English 17 Feb 89 pp 1, 10

[Text] Chittagong, 16 February—A 54 prominent tribal leaders and 10 non-tribal leaders from 3 districts of Chittagong Hill Tracts at a meeting in Chittagong city on

Wednesday night signed a "historic joint communiqué" declaring total solidarity the nine-point peace deal to be enacted in Chittagong Hill Tracts by embodiment of Local Government Council in the form of independent Zila Parishads.

The tribal leaders including Chakma chief Raja Debashish Roy, Bhumong chief Mong Shi Prue Choudhury, former presidential adviser Upendra Lal Chakema and former State Minister Aung Shue Prue Chowdhury closed for over 11 hours to discuss threadbare and to moot tricky points of CHT [Chittagong Hill Tracts] issues before coming into unanimity to put signatures on the joint communiqué. The Chittagong Area Commander, Major General Abdus Salam initiated the discussion that spanned till Wednesday midnight. The Kaptai Bridge Commander, Brigadier Shafat Ahmed conducted this historic meeting in which the tribal leaders freely exchanged views touching all points of CHT issue.

The joint communiqué urged the government to declare general amnesty for those perplexed insurgents who intend to return to normal life to avail the chance for their participation in the development of the motherland. The communiqué simultaneously appealed to the Government to free those tribals who are still in detention for anti-state activities.

The communiqué opined for the continuation of current peace talks between the Government and Parbatta Chatagram Jana Sanghati Samity. The communiqué equally called upon the Jana Sanghati Samity to show magnanimity and far-sight in line with Government's sincerity for further peace talks.

Referring to the motion of four Bills on CHT Local Government Councils, the joint communiqué pledged to take the responsibility of apprising the people of three. Chittagong Hill Tracts districts of the merit of enactment of the Bills and to undo and frustrate the misleading propaganda and lofty demands of vested quarters. The communiqué vowed total implementation of new peace bids with patience, devoting and courage dethroning all adverse circumstances and opposition.

The joint communiqué firmly hoped that the enactment of Local Government Council would reflect the democratic rights and aspirations of the people of Chittagong Hill Tracts through peaceful and lasting solution to the existing CHT problems.

The communiqué also appealed to the Government necessary measures for implementation of peace deals so that the people can grasp its benefit.

The communiqué vehemently condemned the killing of all persons including Rangamati Sadar upazila Chairman Shantimoy Dewan by the rebel tribals.

Other prominent signatories to the communique were Rangamati Paurashava Chairman Gautam Dewan, Bilaichhari Upazila Chairman Lal Alian, Khagrachhari Sadar Upazila Chairman Jatindra Lal Tripura, Pansari Upazila Chairman Bakul Chandra Chakma, Dighinala Upazila Chairman Pijush Kanti Chakma, Naniarchar Upazila Chairman Tilak Chandra Chakma, Jurasari Upazila Chairman Nanda Dulal Chakma, Baghaisari Upazila Chairman Lalakhi Kumar Chakma, Mr. Charu Bikash Chakma, Mr. Samiran Dewan, Mr. K.S. Prue Chowdhury and Dr. A.K. Dewan. The Deputy Commissioners of three CHT districts were also present during the signing of the joint communique.

Major General Abdus Salam in his inaugural speech at the meeting dwelt at length on the background and earnest desire of the Government to arrive at a consensus with Shanti Bahini leaders through last six rounds of futile peace talks. The Khagrachhari Brigade Commander, Colonel Syed Mohd. Ibrahim who led the Bangladesh side in consecutive five rounds of peace talks with the Shanti Bahini also gave the details of Bangladesh initiatives for the peace talks.

**University Election Points Up Nation's 'Malaise'**  
46001315 Dhaka THE NEW NATION in English  
14 Feb 89 pp 1, 8

[Article by Kazi Montu]

[Text] The DUCSU [Dhaka University Central Students Union] election has brought into focus deep-seated malaise in national politics and signalled a fresh polarisation of the opposition parties.

Awami League and its allies have received a boost to their morale from the victory of Central Students Action Committee (CSAC) in the election while their arch rival BNP [Bangladesh National Party] has triumphed over what it has described as emergence of its students wing as the single largest party.

The election-day violence on the campus has brought an opportunity for the eight-party and the five-party alliances to push the BNP and its student wing Jatiyatabadi Chhatra Dal into a defensive role in the war of words between the two hostile sides.

The situation has ostensibly turned to the advantage of Awami League which seemed to have eagerly awaited a cause to exploit against the BNP and eventually seized it at a time when the latter has been caught off balance.

The violent acts on the campus have been followed by a flood of press conferences and statements condemning the killing of a political activist and a brutal attack on a victory march of female supporters of the CSAC. Both the CSAC and Chhatra Dal have blamed each other for those untoward incidents.

But the show of strength was not confined to Dhaka University only. The flame of violence has begun sweeping across the country as soon as the news regarding the flare up on the Campus of Dhaka University got around. Tangail became a turbulent scene on Friday, marked by clashes between supporters of Awami League and BNP, stabbing, assault, arson and loot.

Analysts predict that their confrontation will not end soon. It will continue, punctuated by brief spells of lull until all political and apolitical forces are sharply polarised between two ends of the political spectrum on the basis of irresolvable issues facing the nation.

It appeared from the pre-election campaigns that slogans like protection of independence and sovereignty, resistance to domination by external forces and so-called Bangabhumii movement and removal of the "autocratic" and "illegal" government constituted the core of politics of Chhatra Dal while the CSAC played up its determination to resist "fundamentalism" and "autocracy."

Awami League Chief and Eight-party leader Sheikh Hasina made a frontal attack on BNP saying that this party did not believe in political tolerance and multi party democracy. It has been reflected in support of the party to violence.

The Publicity Secretary of the party Mohammad Nasim seemed excited when he whipped the BNP and Chhatra Dal at a rally. He said "Awami League is not an ananda asram (non-violent Hindu organisation). The pests named BNP have to be stamped out.

The Five-party alliance also betrayed its anger against the BNP and Chhatra Dal. Echoing Sheikh Hasina its leaders termed the Chhatra Dal as a fascist quarter backed by the 'autocratic' rulers.

Standing cool amid a volley of accusations and tirades BNP Chief and Seven-party alliance leader Begum Khaleda Zia said "it is the servitors of the expansionist forces who committed brutalities on female students on the campus of Dhaka University. Now an organised campaign has been launched against them.

She said that the lackeys of the external forces had become scared and unnerved at the success of Chhatra Dal in elections to student unions of different educational institution.

BNP Secretary General Barrister Abdus Salam Talukdar portrayed the Awami League and its student wing, Chhatra League as terrorists responsible of violence on the political scene as well as on the campuses. He said that this organisations had killed 30,000 patriotic political activists including Siraj Sikdar and the nation knew about its fascist hue.

The Eight-party and the five-party alliances which had constituted the 15-party alliance together to fight against martial law regime on the basis of the five-point have come closer after about three years of their separation on the question of participation in 7 May parliamentary polls in 1986.

Their movement against fundamentalism has narrowed down their differences. Although the five-party alliance was maintaining equi-distance from Awami League and BNP until recently.

But the dynamics of their politics having many common features have propelled them towards a possibility of their being reunited into a single alliance despite reservation by some components of the Five-party alliance. The putting up of a united panel by the student wings of components of the two alliances was considered as a thin end of the wedge in the process of their getting reunited in one alliance. In the war against the BNP the alliance has already sided with the Awami League-led Eight-party alliance.

The government appears to have been keenly watching the developments on the political scene in the wake of the DUCSU election. When a reign of terror was let loose on the campus President Ershad was addressing vice-chancellors of the universities. He called for freeing the educational institutions from narrow party politics and said 'undiscipline on the campuses will not be tolerated.'

In the eyes of some observers the DUCSU election was address rehearsal for a snap election to the Parliament. Immediately after the DUCSU election Vice-Chancellor Prof. Abdul Mannan claimed that the election was peaceful, free and fair. In his view the nation has witnessed real democracy on the campus.

Welcoming the impartial and "fair elections Sheikh Hasina and leaders of other parties supporting the CSAC said that elections were bound to be free and fair at national level too if the authorities did not interfere.

But the Chhatra Dal and BNP complained about defective election system and irregularities in voting and counting of ballots. Their strong allegation was that the voice chancellor had patronized the CSAC, but it was ruled out by the university authorities.

#### **Reports on Activities of Bangladesh Communist Party**

##### **Central Committee Resolutions**

46001313 Dhaka *THE NEW NATION* in English  
18 Feb 89 p 8

[Text] The Communist Party of Bangladesh (CPB) yesterday expressed concern over the post-election violence at Dhaka University and condemned the killing of one person and attack on female students. It demanded exemplary punishment of the persons responsible for these.

The central committee of the CPB, which was in session for the fourth consecutive day yesterday, in a resolution said that the students of Dhaka University created a history through peaceful elections after seven years.

In another resolution on regional situation, CPB observed that the communal farce in India threatened stability and democracy but it lauded increasing consciousness of the progressive forces. CPB called upon all democratic and progressive forces in this region to take initiative and play active role in promoting cooperation among the nations on the basis of equality and on the principles of non-interference.

CPB welcomed the withdrawal of Soviet forces from Afghanistan and expressed hope that this step would help restore peace there. It however, blamed Pakistan, and the United States for supplying arms and ammunition to Afghan Mujahideen.

##### **Leader on Elections**

46001313 Dhaka *THE BANGLADESH OBSERVER*  
in English 20 Feb 89 p 2

[Text] The Communist Party of Bangladesh (CPB) on Sunday dismissed as "just eyewash" President Ershad's recently expressed willingness to hold fresh elections with the participation of all political parties.

"We are not opposed to elections. But the past activities of the Government did not indicate that elections could be held free and fair under this administration." Saifuddin Ahmed Manik told UNB [expansion unknown] when his attention was drawn to the President's recent talks covered by the BBC and the British press.

Refuting President Ershad's claim that his Government took appropriate measures for ensuring fair elections, the CPB chief said, "We had never seen fair intention in President Ershad for holding impartial polls."

CPB, which participated in the 1986 parliamentary elections under the present Government but boycotted last year's Sangsad polls, is a major component of the Eight-party Alliance.

Asked his comments on the President's views regarding Bangladesh politics expressed during his recent visit to Britain, Manik maintained that Ershad's sayings were aimed at confusing the British people and the donor countries.

##### **'Prominent' Shanti Bahini Commander Surrenders**

46001322 Dhaka *THE BANGLADESH OBSERVER*  
in English 2 Feb 89 pp 1, 10

[Text] Chittagong, Feb 1:—A prominent Shanti Bahini commandant Sanchay Chakma with his Breta gun, magazines and huge quantity of ammunition surrendered to the law-enforcing agencies at Khagrachhari district headquarters on Sunday last.

According to a highly-placed official source, the self-styled second lieutenant of Shanti Bahini had said that he deserted Shanti Bahini and laid down his arms in view of the peace agreements signed between tribal leaders and the national committee.

He told terrorism would not bring in peace for the tribals.

He also said that he was taken to a training camp at Tripura in neighboring India and was forced to undergo arms training for sabotage and violence.

**Shanti Bahini Kill Each Other, Fellow Tribesmen**  
46001328 Dhaka THE BANGLADESH OBSERVER  
in English 15 Feb 89 p 1

[Text] Chittagong, Feb. 14—More than eleven hundred tribals have been killed by the Shanti Bahini insurgents composed of their own fellow tribesmen in Chittagong Hill Tracts during the past 13 years.

According to different official agencies, the victims include 500 hardcore Shanti Bahini members who fell prey to the bullets in the infighting that took place between the so-called Larma faction and the Priti faction. The Shanti Bahini who got divided over ideological differences haunted and killed each other in frequent jungle clashes. The infighting reached the climax during five years period from 1980 to 1985. The most tragic of all the incidents was the killing of Shanti Bahini godfather Mr. Manobendra Lal Larma by his own onetime close follower Priti Kumar Chakma, Debjati Chakma alias Daben and Bhubotosh Dewan alias Giri on Nov 10, six years ago in one single gunbattle between the Larma faction and the Priti faction at Pusgaon area of Pansari Upazila on June 6 of 1984. 30 Shanti Bahini men were killed.

The internal cleavage and intrigue between the Shanti Bahini leadership particularly after the conference of Parbatta Chattagram Jana Sanghati Samity in 1977 put the two factions sharpening [as published] knife at each other. However, the taking heavy toll of tribal lives started diminishing since the surrender of 235 Priti faction members in a body at Rangamati district headquarters on April 29 in 1985.

Apart from the deaths as a result of infighting the innocent tribals opposing the Shanti Bahini insurgency also got gunned down at the hands of their fellow men in arms. The prominent of these dead are Pansuri Upazila Chairman Mr. Rajkumar Chakma.

Lakhichari Upazila Chairman Mr. Rabi Bhusan Chakma, Rangamati Upazila Chairman Mr. Shantimoy Dewan, Ramgarh High School Headmaster Mr. Chabai Mogh, Nunsaru Union Parishad Chairman Mr. Ajit Kumar Rauja and Latiban Union Parishad Chairman Mr. Milan Kanti Chakma. [paragraph as published]

The three tribal leaders including Hatchazi UP Chairman, who were recently kidnapped by the Shanti Bahini at gun point have also been reportedly killed. The armed Shanti Bahini men are still unleashing terrorism and annihilation of their own fellow community members.

**Bills on Chittagong Hill Tracts Introduced**  
46001314 Dhaka THE NEW NATION in English  
16 Feb 89 pp 1, 8

[Text] Prime Minister Maudud Ahmed yesterday evening introduced four bills in Jatiya Sangsad (Parliament) proposing constitution of three councils for Rangamati, Khagrachhari and Bandarban districts and another bill to repeal the Chittagong Hill Tracts Regulation of 1900.

Making a brief statement before introducing the bills, the prime minister said the government was going to take certain historic steps to resolve politically the tribal problems in the Chittagong hill tracts. In this regard he referred to the pledge of President Ershad who, he recalled, wanted a political solution to the Chakma tribal problems.

Mr Maudud who is Leader of the House moved all the four bills as State Minister for Local Government Naziur Rahman Choudhury who was due to introduce three of the bills was now away from the country and Land Administration Minister Sunil Gupta who was to move the bill on repealing the Chittagong Hill Tracts Regulation of 1900 was not present in the House.

The prime minister termed the bills as very important and said these were introduced in parliament for due consideration by the members ahead of discussions that would take place next week.

By circulating a supplementary to the order of the day, the four bills were introduced during the evening sitting. The bills are: The Rangamati Hill Districts Local Government Council Bill, 1989; The Khagrachhari Hill Districts Local Government Council Bill, 1989, the Bandarban Hill Districts Local Government Council Bill, 1989 and the Hill Districts (repeal and application of law and special regulation) bill, 1989.

According to the first three bills, the local government council for each of the 3 hill districts will consist of a chairman and 19 members from among the tribal people and 11 members from among the non-tribal people and all of them will have to be directly elected by the people. The chairman of each council shall be elected from among the Tribal people.

According to the bills, the local government council for each of the districts will appoint and transfer the assistant sub-inspectors of police and other subordinates.

The bills also seek to prohibit transfer or sale of any lands in each of the 3 hill tract districts.

According to the fourth bill, all the tribal chiefs would remain as they were but their jurisdiction would be within their own districts.

Deputy commissioners of each of the 3 districts, the bill said, would appoint headman for each mauza for collection of development revenues.

### **Farakka Dam Causing Increased Salinity in Ganges**

46001318 Dhaka *THE BANGLADESH OBSERVER*  
in English 9 Feb 89 pp 1, 10

[Text] Khulna, Feb 8—As the dry season sets in Khulna and other district of northern and southern regions of the country are confronting a severe problem of increasing salinity in the water of the rivers following a sharp fall in the flow of the Ganges resulted from the commissioning of Farakka barrage by India in the upstream.

According to local hydraulic experts, there has been increasing content of salinity in most of the rivers in Khulna from the last few days. The water off the river Bhairab flowing through the industrial city of Khulna and used by most of the industrial units at Khalishpur and Daulatpur now have heavy concentration of salinity following the reduced flow of the Ganges in the upstream. In last week, the concentration of salinity in the Bhairab river was recorded at 550 RPM but some of the industries particularly Khulna Newsprint Mills which requires a huge quantity of sweet water daily to feed its plants cannot use the water of the river Bhairab if the saline concentration exceeds 40 to 50 RPM. In fact, the Khulna Newsprint Mills has already started fetching sweet water by barges from places 15 to 20 miles off Khulna in the upstream to run plants which claims a substantial amount of expenditure causing escalation of production cost.

Most of the rivers in the southern area having connection with the sea fall victim repeatedly to saline ingression during the dry season due to reduced flow of Ganges after the construction of the Farakka Barrage. Consequently both agriculture and forestry in the region have been seriously hit vitally affecting the economy.

### **Depletion in the Sundarbans**

The Sundarban forest comprising an area of over 2200 sq. miles has been worst affected by increasing salinity which virtually destroy its flora and fauna. A survey conducted by British experts in Sundarban forest indicated gradual depletion of trees in the forest due to heavy concentration of salinity in the rivers flowing inside the forest following the effect of Farakka Barrage.

### **Navigation disrupted**

According to reports reaching here, navigation in many rivers and tributaries in northern and southern areas of the country has been seriously disrupted in recent weeks

following heavy deposit of silts in the rivers. Consequently watercraft carrying passengers and cargo are facing a severe difficulty in plying through the rivers. The reports stated that a number of chars and shaols have developed in the rivers Ganges, Jamuna and Boral following a sharp fall in the water level with the advent of dry season. The watercraft mainly carrying cargo of daily necessities like cement, rice, oil and wheat and requiring a draught of seven to eight feet cannot ply through these rivers where the draught has come down to four to five feet. The BIWTA [expansion unknown] has undertaken dredging in some parts of these rivers to facilitate movement of watercraft. But as a precautionary measure, the BIWTA is not permitting movement of vessels requiring more than six feet draught in these river routes. Consequently, the supply of essential goods to and from northern and southern areas through river routes has been seriously affected.

### **Water Board Formulates Flood Protection Program**

46001323 Dhaka *THE NEW NATION* in English  
1 Feb 89 pp 1, 8

[Article by Monowar Hossain]

[Text] The Water Development Board has formulated a seven billion dollar "National flood protection programme" with major emphasis on construction of embankments, river training, desalting of rivers and improvement of drainage and flood forecasting and warning system in order to keep the flood devastations at the lowest ebb.

Implementation of the massive programme is possible within 10 to 15 years provided implementation work is taken up soon and funds are available, it is gathered.

The programme has already been submitted to the government and circulated among all concerned including the donor agencies. The government is learnt to be actively considering the programme.

The programme has been formulated keeping in view the fact that total elimination of flooding is neither feasible nor desirable from agro-ecological point of view, it is learnt.

The principles and related measures cited in the programme should fit in the framework of the ultimate regional or bilateral plan for flood control and water management, should such cooperation materialize even at a distant future, a competent source said.

To the donor agencies the programme has appeared to be a "heroic one", it is gathered.

The structural measures proposed in the national flood protection programme are: embankments on both sides of the Ganges and the Brahmaputra and on the Meghna

river, from Bhairab Bazar to the Bay of Bengal; river training at appropriate locations, morphological and hydrological studies, channel improvement and polder construction.

The non-structural measures proposed are: Watershed management, improvement of flood forecasting and warning system, afforestation and adjustment of cropping pattern. Leading water resources experts of the country held the view that the projects identified in the flood protection programme are most appropriate in Bangladesh and are technically sound although these appeared to be cost prohibitive. But in view the damage caused by floods almost every year and to keep the pace of development uninterrupted and to avert the negation of development work already implemented, there is no alternative before the country but to embark on such a massive programme, they said.

Explaining, they said flood protection now appeared as a prerequisite to developments. Notwithstanding the planning strategy and investment policy in the past, protection measures along the mighty rivers have become imperative. The flood catastrophes in 1987 has caused a change in attitude of planners and decision makers, they said adding that government has, therefore, rightly stressed the need for massive flood protection work within the country as well as the need for regional cooperation leading to a lasting solution to the flood problem and optimal harnessing of water resources.

Earlier massive ventures to combat flood effectively could not be taken due to various reasons. The small and quick yielding irrigation projects in shallow flooded areas taken to cover up the loss due to flood would not deliver expected results. In the face of two catastrophic floods in 1988 and 1987, these projects proved to be absolutely redundant. In many cases, these were completely washed away by floods, it is gathered.

The catastrophic floods, however, have given, a new dimension to the flood problem in the country. These have led to a new awakening both at the national and international levels that Bangladesh cannot go on with such catastrophes any more.

#### **Papers Report on Ershad Visit to United Kingdom**

##### **Press Conference, TIMES Interview**

46001311 Dhaka THE BANGLADESH OBSERVER  
in English 16 Feb 89 p 1

[Text] President H.M. Ershad, now on an official visit to Britain told a news conference of London's Foreign Press Association that Opposition parties had not yet agreed to have a dialogue with him on modalities to hold a free and fair poll, according to VOA [Voice of America] monitored on Wednesday.

President Ershad said he was ready to allow observers at the time of elections or provide any type of guarantee, but would not resign before elections as the Opposition demanded. He said he was ready to do everything possible to ensure free and fair polls of the Opposition agreed. To monitor the polls he was ready to allow five thousand foreign observers, even ten thousand of them, he said.

Assuming a stable political situation in Bangladesh for foreign investors, the President hoped he would be able to pull all political parties to polls some day.

BBC adds—At London's news conference President Ershad said he was ready to hold parliamentary polls if the Opposition parties withdrew demand for his resignation. British Press on Wednesday covered parts of his speeches.

The Diplomatic Correspondent of the DAILY TELEGRAPH says that the President has the other way round admitted that there were riggings in polls last March.

#### **The Times**

The TIMES had published an interview of President Ershad. Reviewing the united opposition movement against him in 1987 the newspaper writes the parties who are not one on when it is day and when it is night also united on the basis of one-point demand: President Ershad's resignation. But they could not keep the movement going. Here the President said they had no support from the people.

The TIMES says the President may have to face questions from those apprehending a fundamental Islami rule following increased Jamaat-e-Islami activities and announcement of Islam as State Religion last July. Here President Ershad said that he proposed Islam as State Religion to combat the activities of the fundamentalists. He also said Jamaat-e-Islami had already earned a bad name.

#### **14 February Luncheon**

46001311 Dhaka THE BANGLADESH OBSERVER  
in English 15 Feb 89 p 1

[Text] London, 14 February—President Hussain Muhammad Ershad said here today that he wanted to see that democratic institution take firm root in Bangladesh, reports BSS.

Speaking at the luncheon hosted by the Foreign Press Association and Diplomatic and Commonwealth Writers Association, President Ershad categorically made it clear that being an elected President he could not throw the country into chaos by accepting unreasonable demands of those who had no public support.

He said the country had been passing through an era of peace and stability and none had the right to disturb this for fulfilling their whims and caprices. If the Opposition parties really wanted democracy they should come forward with concrete proposals and discuss them with the government for holding any possible elections in future, he pointed out.

Referring to the popular support his government had been enjoying as a result of implementation of large number of people-oriented programmes during the last seven years President Ershad said the opposition in Bangladesh failed to muster support of the people because they had no concrete programme for the well-being of the nation.

Tracing in detail the democratisation process his Government had undertaken since 1982, the President said despite hindrances the process had now gained momentum. He expressed the firm confidence that the time was not far when all including the opposition would realise this fact and play their due role in the process.

He said Bangladesh was an agricultural country, but because of the population pressure it had become very difficult to employ this vast multitude of population only in agriculture.

That was why he said his Government wanted speedy industrialisation of the country side by side with the development of agriculture.

In this context President Ershad referred to the pragmatic and liberal industrial policy of his Government and recent establishment of board of investment to attract more investment in industrial sector the establishment of the board and the present stability in the country have brought a unique opportunity for investors from both at home and abroad to set up industries in the country, he said.

He said no doubt Bangladesh had been suffering from the menace of poverty, illiteracy, diseases, natural disasters but he said, given assistance by friendly countries we could overcome these problems and once we could make ourselves alright... we would not seek any help from any quarter.

The President urged the investors to visit Bangladesh and see the opportunities available to them for setting up industries thus helping a country too overcome its problems. He also urged the mediemen to come to Bangladesh and see the congenial atmosphere prevailing in the country for investment.

He thanked the international Press for helping Bangladesh during the time of Liberation War in 1971 as well as at times of trials and tribulations by ventilating its causes to the international community. He hoped that they would continue to support Bangladesh causes in the coming days too.

Mentioning the recent devastating floods in Bangladesh, President Ershad said to solve this problem, Bangladesh had set two pronged strategy—one to have a permanent solution through regional approach with international assistance and the other through national efforts to minimise the fury of floods.

He said experts of the regional countries as well as from France, Commonwealth and the UNDP [United Nations Development Program] had been working to find-out a solution to the problem. We have been awaiting their recommendations, he said, adding: once their proposals were in hand we hope to find out a permanent solution to the problem of recurrent floods.

**Talks With Howe, 14 February Dinner**  
46001311 Dhaka THE BANGLADESH OBSERVER  
in English 16 Feb 89 p 10 txt

[Text] London, 15 February—The British Secretary of State for Foreign and Commonwealth Affairs Sir Geoffrey Howe called on President Hussain Muhammad Ershad at his hotel suite here this morning, reports BSS.

During the meeting they discussed bilateral matters and regional and international issues of common concern.

On bilateral matters, President Ershad and the British Foreign Minister Geoffrey Howe exchanged views on increased quantum of development assistance to Bangladesh by the United Kingdom.

They also discussed the necessity of extending assistance of industrially developed countries, specially from the Group of Seven and the European Economic Community (EEC), in solving the problem of recurrent problem of floods in Bangladesh.

On regional and international arena they discussed, among other things, the role of South Asian Association for Regional Cooperation (SAARC) inn the development of the region easing of tension in the Middle East also came up for discussion.

The Secretary of State for British Home Department Sir Douglas Hurd MP, also called on President Ershad and discussed the problem of separated Bangladeshi families living in the United Kingdom.

The British Home Minister informed President Ershad that the United Kingdom authorities were willing to expedite such cases.

President Ershad and the British Home Minister discussed the necessity of issuing work permit to Bangladeshies for working in Bangladeshi restaurants in the United Kingdom.

They also discussed the problem of drug trafficking and laid emphasis on having extradition arrangements of offenders in this respect between the two countries.

Later, leader of the Opposition in the House of Commons Neil Kinnock called on the President at his hotel suite.

During the meeting they exchanged views on economic and political developments in Bangladesh.

Deputy Prime Minister Prof M.A. Matin, Foreign Minister Anisul Islam Mahmud and Bangladesh High commissioner in the United Kingdom Major General (Retd) K.M. Shafiullah were present during the meetings.

### **Generosity During Floods Recalled**

President Hussain Muhammad Ershad had said here that Bangladesh and the United Kingdom were bound together by a deep and abiding friendship.

He was speaking at the dinner hosted by British Minister for Overseas Development Christopher Patten MP and Madam Patten last night in his honour and in honour of Begum Roushan Ershad on behalf of the royal British Government.

Princess Anne was present at the dinner.

The President said the United Kingdom was an important partner in the development of Bangladesh. He said the substantial commodity and technical assistance provided by the UK was of great value to Bangladesh in developing its human resources and improving local institutions.

Referring to the support extended by the British people and the government during our war of independence he said in a similar way they had been continuing to provide assistance to Bangladesh at the time of various natural calamities.

In this context the President referred to the prompt and generous support extended by the British Government during the last year's devastating floods in Bangladesh. We also acknowledge with appreciation the helpful role played by the British NGOs at that time.

### **Meeting With MPs, TIMES Report**

46001311 Dhaka THE BANGLADESH OBSERVER  
in English 17 Feb 89 pp 1, 10

[Text] London, 16 February—President Hussain Muhammad Ershad said here that his government had always welcomed suggestions to ensure free and fair elections and doors were open for discussion with political parties in this regard. The President had stated this while exchanging views at a meeting with the members of the British-Bangladesh Parliamentary Group and Commonwealth Parliamentary Association at the Committee Room of the House of Commons, reports BSS.

He said in the past also his Government took appropriate measures for ensuring fair elections and invited the Opposition political parties to participate in them.

President Ershad said it was the responsibility of the Government to give elections, but non-participation of some political parties did not make an election process undemocratic. He, however, said it was the democratic right of political parties to decide whether to participate in election or not.

The President hoped that in a future election all political parties would decide to participate and thus contribute to strengthening of democratic institutions in the country. In this context, he mentioned various steps taken so far by this government to strengthen democratic institution in the country including holding of elections during the last seven years.

He gave a resume of the various measures and reforms undertaken by his government in different fields since 1982 for the socio-economic development of the nation and said despite natural disasters like floods, the country had been making steady progress in different fields.

President Ershad told the meeting about the steps taken by the Bangladesh government to solve the problem of floods including that of the regional approach with international assistance and at national level.

They stayed together for some time and exchanged views on matters of mutual interest over a cup of tea.

Another report adds: Major British dailies including the TIMES, the INDEPENDENT, the GUARDIAN and the DAILY TELEGRAPH published commentaries and interviews in their issues during the last two days on the current official visit of President Hussain Muhammad Ershad to the United Kingdom.

### **THE TIMES**

Leading British daily THE TIMES has described President Ershad as a confident leader and said his current visit to the United Kingdom would help establish his democratic credentials.

President Ershad had stayed in power longer than any other Bangladesh leaders and feels "confident enough to boast that he has the support of his people because of improvements in the quality of life," Deputy Foreign Editor of the paper Michael Hamlyn said in a report on his interview with the President, published on Wednesday.

In the course of the interview, President Ershad spoke on a wide range of subjects including political and economic interests concerning Bangladesh.



"I have held elections, but they (opposition) refuse to come." He said of the two main opposition parties, the Awami League and the Bangladesh Nationalist Party, which boycotted the last polls.

The prestigious British daily, the INDEPENDENT, published two separate items with headlines "West loves Bangladesh's third world Thatcherism" and "Ershad looks for British aid and investment" by Tony Allen Mills.

The newspaper commented quoting western diplomats in Dhaka that President Ershad represents Bangladesh's best hope of the administrative stability and continuity that was essential if the problem of poverty, overcrowding and floods were to be addressed effectively.

It said, according to diplomatic circle political parties failed to show their ability that they would be able to run the country better than President Ershad.

The Independent said, President Ershad is arguably the World Bank's favourite Asian leaders. His economy may be torn into pieces by floods and cyclones, but this economic intentions are Thatcherism in third world.

#### GUARDIAN, DAILY TELEGRAPH

The widely circulated newspaper, the GUARDIAN, in an item gave a resume of the background and current economic and political situation in the country and said the current official visit of President Ershad to the United Kingdom demonstrated that he was firmly in control of the affairs of his country.

The DAILY TELEGRAPH, another widely circulated British daily, made positive comments on the developments including that of the economic and political fields taken place in different sectors, during the period of rule by the government of President Ershad.

#### INDIAN PRESS

Meanwhile, the INDIAN PRESS gave wide coverage to President Ershad's current visit to the United Kingdom.

The HINDUSTAN TIMES in a report from its correspondent in London said the "British media is trying to project President Ershad as one who can ensure the country's stability."

In another report from London "THE HINDU" said the British Observers feel President Ershad will make a positive impression on the influential British figures.

The TIMES OF INDIA and the INDIAN EXPRESS also carried stories of President Ershad's visit to London.

#### Meeting With Thatcher

46001311 Dhaka THE BANGLADESH OBSERVER  
in English 18 Feb 89 pp 1, 10

[Text] London, 17 February—President Hussain Muhammad Ershad and British Prime Minister Margaret Thatcher held formal talks yesterday evening covering the entire gamut of bilateral matters and regional and international issues of common concern.

Lasting over one hour the talks held at 10 Downing Street the official residence of the British Prime Minister, was marked by utmost cordiality and understanding, a spokesman of the Bangladesh side told BSS.

Bangladesh High Commissioner in the United Kingdom Major General (Retd.) K.M. Shafiullah and British High Commissioner to Bangladesh T.G. Streeton were present at the talks.

On bilateral matters the two leaders discussed increased British assistance to Bangladesh in different fields specially in the energy sector, construction of Jamuna bridge and post-flood rehabilitation programmes.

President Ershad and Prime Minister Margaret Thatcher also discussed possible help by the United Kingdom for a permanent solution to the problem of recurrent floodings in Bangladesh.

The Bangladesh President thanked the Government and the people of the United Kingdom for whatever they had done for Bangladesh since its emergence particularly the prompt response it made to help the country during the devastating floods last year.

Mrs Thatcher commended the efforts of the people of Bangladesh under the leadership of President Ershad in facing the floods and other natural calamities.

She also spoke highly of the people and the Government of Bangladesh in their endeavours to stand on their own feet by putting in their hard work despite setbacks due to natural calamities.

#### Dinner Speech

Later speaking at a dinner given by the British Prime Minister and Mr Denis Thatcher in honour of the President and Begum Raushan Ershad at 10 Downing Street Margaret Thatcher said that the great task now facing the international community was to help Bangladesh devise flood prevention measures which would prevent a repetition of last year's disaster.

Mrs Thatcher said it was a massive task which could not be accomplished by Bangladesh alone.

She said it would require the cooperation of many other countries in the region to dredge out the silts from the rivers, restore it to the hillsides and replant the woods and forests which would prevent future erosion.

Mrs Thatcher said it also needs the assistance of the whole international community and expressed the readiness of her country to play a part in that.

Referring to long association between her country and Bangladesh the British Prime Minister said the current visit of President Ershad to the United Kingdom would strengthen still further this association between the two countries.

Mrs Thatcher said "we hope you will take back to your people the sympathy, affection and admiration which are felt so strongly for them in Britain."

She said "we welcome you as a statesman who has played a foremost role, not just in leading Bangladesh, but also in the wider affairs of the sub-continent and as a very valued participant in Commonwealth heads of government meetings."

Commending the aim set by President Ershad in achieving stability through national consensus, the British Prime Minister said over the last seven years great progress had indeed been made in Bangladesh earning him widespread admiration.

#### **Cooperation and Goodwill**

President Ershad in his speech said Bangladesh was determined to take steps for the mitigation of the impact of recurring natural disasters like floods which have been causing colossal damages to our economy.

The President expressed his confidence that through goodwill and cooperation, "we shall be able to combat effectively such calamities not only in Bangladesh but also in our region as a whole."

Referring to the present state of world economy which was still causing concern, the President called for greater and wider international understanding and cooperation to combat it.

"We look forward to the important role that the United Kingdom can play in this regard," he said adding, Bangladesh would be happy to join in any initiative that could be taken in this area.

#### **North-South Dialogue**

President Ershad underscored the need for the reviving the stalled North-South dialogue and said peace in the real sense cannot be attained as long as the yawning gap between developed and developing countries persists.

Speaking on the Bangladesh-Britain relations he recalled with gratitude the sympathy and support that Britain had extended during Bangladesh's Liberation War in 1971.

The government and the people of Great Britain have always stood by us in our times of trial, he said and added our people gratefully acknowledge your prompt and generous assistance when we were hit last year by the worst floods in living memory.

He said an important dimension of our relationship was the presence of a large Bangladeshi community in the United Kingdom. Their presence here resulted in a constant intermingling of our cultures and a better mutual understanding through greater people-to-people contacts, he added.

Referring to the development efforts taken by his government President Ershad said, "we in Bangladesh are striving for a strong, stable and self-reliant economy. We want our people a better quality of life. To this end we have initiated far-reaching socio-economic and political reforms."

It has been an important aim of my government to give our people their rightful role in the decision making process, he said. On the industrial front, the President said emphasis had been laid on the growth and development of the private sector and controls on the public sector had already been relaxed through policy modifications.

He also referred to the disinvestment of hundreds of public sector industrial units and at the same time offering of liberal facilities to attract foreign investment in the growth of the economy.

President Ershad said Bangladesh had been making constant endeavours to promote the cause of peace and development in the world. In this connection, he mentioned the formation of the South Asian Association for Regional Cooperation—SAARC and said the organisation had been making steady progress.

"We believe this institutional arrangement has a tremendous potential to promote regional cooperation in socio-economic fields and to foster better understanding among the people of the region," he said.

#### **Lord Mayor's Luncheon**

46001311 Dhaka THE BANGLADESH OBSERVER  
in English 19 Feb 89 pp 1, 10

[Text] London 18 February—President Hussain Muhammad Ershad has said that the Government and the people of Bangladesh would continue their journey towards creating a better life by overcoming the formidable challenge of the hostile forces of nature, reports BSS.

Speaking at the luncheon hosted yesterday by the Lord Mayor of the city of London, Sir Christopher Collet and the lady mayoress in his honour and in honour of Begum Raushan Ershad at Mansion House, the President referred to the wide ranging political and social-economic reforms undertaken by his Government to achieve that goal.

He mentioned the bold and pragmatic initiatives taken up by his government with a view to ensuring the optimum realisation of the growth of economic potentials and said Bangladesh today offered attractive opportunities for prospective investors. He urged the British investors to come forward to invest in Bangladesh.

Referring to the massive damage caused by the floods last year he said the British government responded promptly and generously to our plight. "We acknowledge gratefully this gesture of friendship," he said.

The President said durable solution was essential to protect the peoples of our region from such disasters. The solution to the problem of floods in Bangladesh lay in national efforts, bilateral and regional cooperation and international assistance, he said and added his country had taken various initiatives to combat this menace.

He expressed the confidence that the United Kingdom would play a vital role in this area of our national concern.

President Ershad said there was a good number of people of Bangladesh origin in Britain, especially in London. He hoped that being engaged in various professions and trades. They would continue to contribute their best to enrich the social and economic life in Britain.

He said "I am honoured to be your first official guest from abroad on the historic occasion of celebration of the eighth hundredth anniversary of the mayoralty," he conveyed his greetings to the citizens of London on this auspicious occasion.

Speaking on the occasion, Lord Mayor Sir Christopher Collet said "when you took office as the third elected president of your country in October 1986, a new chapter commenced in the history of Bangladesh, a nation you had led since rescuing it from political turmoil in 1982.

"It was in the year that you captured the public imagination by promising in your Victory Day address to the nation that you would endeavour with all your might to make available the basic amenities of life to the common people of your country." He said adding: "After you had established Bangladesh on a firm foundation you immediately introduced much needed and long desired reforms which had a far reaching impact in the areas of decentralised administration, land tenure, agriculture, the judiciary and other vital sectors to rejuvenate the national life."

### **TIMES Editorial Reported**

46001311 Dhaka *THE BANGLADESH OBSERVER*  
in English 19 Feb 89 pp 1, 10

[Text] Monitor

The TIMES Saturday published an editorial on President Ershad's visit to Britain.

According to BBC monitored on Saturday, the TIMES comments: In the eyes of the west the government of Hussain Mohammad Ershad has made a number of praise-worthy feats. This government has denationalised the public sector industries and brought stability in the country through its longest duration in the administration.

However, the TIMES says, General Ershad has failed achievements on two aspects: First, he could not contain the fast-growing population of the country. The country's economy is almost totally dependent on foreign aid. Besides, the population increase on one hand and the recurrence natural calamities on the other have kept its per capita income equal to that of the least income countries.

Secondly, the TIMES says, General Ershad has failed on the aspect of democracy.

The TIMES says, if the Opposition can come to power through election in Pakistan, if there can be an election in war-torn Sri Lanka, if India can be the world's largest democracy and opposition can win polls there, then why not a free election in Bangladesh?

### **Suggestion**

The TIMES maintains that on return to Dhaka General Ershad should open dialogue with his major opposition parties whatever factioned or feebly organised they may be. According to the newspaper it would be wise for him to propose holding of elections under a really independent election commission. On the other hand it would be wise for the opposition parties to accept the opportunity and contribute to the rebuilding of democracy.

In the opinion of the newspaper, the west then, under such a circumstance, would have no reservation in aiding the long-suffered Bengalis generously.

### **Official Discloses Names of 26 Banned Journals**

46001320 Dhaka *THE NEW NATION* in English  
6 Feb 89 pp 1, 8

[Text] Twenty-six weeklies and monthly magazines have so far been banned by the Government for publishing "objectionable" and "obscene" articles and pictures.

This was disclosed by Deputy Prime Minister, in charge of the Information Ministry and Political Adviser to the President, Kazi Zafar Ahmed during the question hour in parliament (Jatiya Sangsad) yesterday.

He said publication of Dhaka based weeklies 'Ittehad,' 'Janatar Dak,' 'Deshbandhu' and 'Satdin' and Chittagong based 'Prahar' and 'Ijtehad' were prohibited for publishing objectionable reports.

The weekly, 'Jai Jai Din,' was put under ban for publishing prejudiced and objectionable reports while another weekly, 'Robbar' was banned for "objectionable" and "harmful" articles. The Dhaka-based weeklies 'Amar Desh,' 'Amader Katha' and 'Sangbadik' had to cease publication for 'objectionable' articles and comments.

Publication of what appeared as objectionable stories in the eyes of the Government led to closure of the Dhaka-based monthlies 'Natyaraj,' 'Natyajagat' 'Jalsha' and 'Shatadal.' An alleged violation of law brought imposition of ban on the Comilla-based weekly 'Samaj Kantha.'

The Dhaka based weekly, 'Bichinta' fell under the purview of the Special Powers Act for publishing alleged objectionable photo on the cover page and that was the cause behind its ban.

Dhaka-based four monthlies 'Sachitra Suravi,' 'Jonaki,' 'Suswasthya Kamana' and 'Bidisha' and one fortnightly 'Chitrarath' were banned for obscene articles and pictures and declarations of weeklies 'Palli Parikrama' of Comilla and 'Krishi Barta' of Noakhali and monthly 'Lalmi' were cancelled for discontinuation of publication for over six months.

Shajahan Siraj of JSD [Jatiya Samajatantrik Dal] wanted to know what were the objectionable and harmful reports published in weekly 'Robbar' and whether these were against the state or the Government or the people.

Replying to a question from Saif Hazizur Rahman Khokan of the Treasury Bench Kazi Zafar said the Government was not aware of those newspapers which had been closed by the owners.

He said that 74 dailies and 290 weeklies were being published in the country.

Saifur Rahman in a supplementary question wanted to know why the banned list of newspapers given by the Deputy Prime Minister did not include the 'Runner' of Jessore which, he said, had published what he described as an objectionable report on Swadhin Bangabhumii. He insisted on revealing what measures had been taken against the newspaper by the Government for publishing the report on Swadhin Bangabhumii.

The Deputy Prime Minister, however, asked for a notice since he did not read the report published in the newspaper.

## Paper Reports on Utilization of Foreign Aid

### Currency Support Sought

46001325 Dhaka THE NEW NATION in English  
23 Jan 89 pp 1, 8

[Article by Hassan Abul Quasem]

[Text] Bangladesh is seeking more local currency support from the Asian Development Bank (ADB) to supplement domestic resources in an effort to improve overall utilization of foreign aid.

The government is learnt to have communicated the problem to the two visiting country economic missions of the ADB which is supposed to firm up the ADB's aid pipeline for 1989 calendar year and indicative aid pipelines for 1991 and 1991.

The two ADB missions country programming mission and projects review mission are now discussing with the Bangladesh government the problems related to aid utilization, local currency shortage, higher interest for subprojects, delay in project approval by Bangladesh government, poor allocation of counterpart fund for the government programme. The member of the two missions are also learnt to have raised the question of recovery of loans both in the industrial and the agricultural sectors. The delay in appointment of consultants and contractor for civil work in the ADB financed projects, are also likely to feature prominently during the discussion between the two sides.

Government officials said that there was no major outstanding issue at the moment with the ADB except that of finalizing the tentative aid pipelines up to 1992 calendar year. Some sources, however, said that three loan projects would be considered for the current year which included bank financing for the dental college, construction of health complex in 50 upazilas, and supplementary loan facilities because of flood damages in this fiscal year.

Four new projects for 1990 calendar year are likely to come up for discussion with the ADB include projects related to Bangladesh Krishi Bank, rural employment project and one project for Bangladesh Shilpa Rin Sangstha. The mission will also consider three loan projects and four technical assistance projects for the year 1991 and five projects for 1992 calendar year, according to official sources.

Meanwhile, despite the increasing disbursement of ADB assistance to Bangladesh, the disbursement ratio in relation to the opening of aid pipelines is on the decline. According to official information, the disbursement ratio of the ADB assistance declined to 12.20 percent in the preceding year (1986-87). The disbursement ratio was 13.84 percent in 1978-79. It was 12.91 percent in 1975-76.

The disbursement of ADB credit increased to the level of 229 million dollars during the 1988 calendar year raising the disbursement ratio of 20 percent. The improvement was mainly due to the increasing participation of the bank in the post-flood rehabilitation programme in 1987 calendar year.

The disbursement of ADB credit was 48.6 million dollars in 1983 which increased to 177 million dollars in 1987 calendar year.

In view of the poor disbursement of the ADB credit, Bangladesh had requested ADB in September 1988 to provide more local currency support. Accordingly, the Board of ADB approved local currency loan for a number of projects which includes the rural and agriculture-based industrial projects.

The bank has also reduced the interest rates in case of some project loans. The Bangladesh government, the World Bank and the ADB also jointly undertook a project to study the issues and to recommend steps for facilitating project implementation. Meanwhile, government is seeking more programme loan and sectoral loan from the ADB which offers the government more leverage for utilizing the loans.

The ADB has committed a total of over 2431 million dollars to Bangladesh so far of which 1004 million dollars (42 percent) were disbursed till December 1988. ADB's operation started in 1973. Of this total commitment, over 2420 million dollars are in the form of project aid, drawn from both the ordinary capital resources (OCR) and Asian Development Fund (ADF), only 996 million dollars project, assistance were disbursed against this commitment during the same period. In addition to that a total of 11.32 million dollars were committed under technical assistance against of which only 8.50 million dollars were disbursed during the period under report.

Bangladesh signed a total of 79 project assistance agreements and 97 technical assistance agreements with the bank. Of these loans, 11.40 million dollars were drawn from the hard term OCR loan against three projects at the rate of interest of 6.59 per cent. The bank also disbursed 280 million dollars under 8 programme loans, 207 million dollars under three development sector credit programmes up to December 1988, and 2.5 million dollars under guarantee free private sector lending during the period under review Bangladesh also received 11.30 million dollars as technical grant and 31.30 million dollars for implementing ADB financed projects.

Bangladesh received 10 per cent of the ADB's total lending and 32 per cent of the bank's soft term ADF finance.

### Aid Disbursement Declines

46001325 Dhaka *THE NEW NATION* in English  
29 Jan 89 pp 1, 8

[Article by Hassan Abul Quasem]

[Text] The overall disbursement of foreign assistance has substantially declined during the first half of the current fiscal year.

According to latest official indication, the decline was around 20 percent during the July-December period this year compared to the estimated average target during the correspondent period of last year.

The decrease in the disbursement of foreign assistance has a serious bearing on the availability of local resources for implementation of the annual development programme (ADP) for the current year. This might even lead to a decline in the size of the current year's ADP by about 30 percent, informed sources said.

The situation has deteriorated due to considerable fall in the disbursement of commodity assistance, from the projected level which has been reflected in slower generation of counterpart funds of the government.

According to an official estimate, the overall disbursement of foreign aid during the July-November period this year declined by over 18 percent from the level of the corresponding period of last year. The disbursement of foreign aid during the July-November period this year was over 423 million US dollars as against over 518 million dollars during the same period of last year.

Of the total disbursement, over 69 million dollars were in the form of food aid, about 137 million dollars in the form of commodity aid and over 216 million dollars in the form of project assistance. These amounts, however show decline over 52 percent in food aid and 18 per cent in Project aid, compared to that in the corresponding period of the previous year. The commodity aid, however, represents an increase of about 26 percent this year against that in the July-November period of last year.

With this slow rate of disbursement, the implementation of ADP project is likely to be adversely affected due to poor matching local resources for these projects. But the situation is still uncertain with regard to project aid disbursement.

The government earlier estimated the total disbursement of commodity aid at 500 million dollars. But the opening commodity aid pipeline was at about 350 million dollars. This was due to low availability of commodity aid in the opening pipeline owing to low level of commitment over the last two years by the donors. The expected

amount of commodity aid disbursement is at 425 million dollars at the end of this year, according to World Bank estimate. This will lead to a gap of counterpart fund to the tune of Tk 220 crore, according to the estimate.

The shortfall in the counterpart fund and also in the government sales of food grains through public food distribution system coupled with other shortfalls in the collection of revenues both through tax and non-tax resources might create a gap of Taka 900 crore in the taka component of the ADP.

The adjustment of this shortfall in local resources for the ADP will pose a serious problem to the government for short term economic management this year. If the government does not take action for increasing tax revenues it will have to undergo painful process of adjustment of resources to meet the resources gap in the ADP, according to competent sources.

Meanwhile, official sources indicated that with the present trend of disbursement of foreign aid, the total disbursement might reach the level of 1250 million dollars at the end of the current fiscal year (1988-89) as against the official projection of 1609 million dollars.

Official sources also said that there was no shortfall in the collection of customs duty and sales tax during the first six months this year. Rather, the collection was slightly higher than the average official target. In case of excise duty, no such serious decline was as yet recorded. But the excise collection is likely to decline in the second half of the year due to low level of sugar production. Collection excise duty is also likely to fall in case of cigarette. But collection of gas tariff is likely to reach the official target, the sources claimed. The main reasons behind the maintenance of the same level of CDST collection after September 88 floods, were increased prices of imported commodities and also the devaluation of taka with respect to dollar. Taka has been devalued by 2 to 3 percent this financial year in relation to dollar, official sources said.

The interest income of the corporations is also likely to decline during the second half of this year. If the release of ADP fund was reduced, the income of the corporation will decline, the sources further said.

## INDIA

**Janata National Executive Meets, Elects Leader**  
46001331 Bombay *THE TIMES OF INDIA* in English  
4 Feb 89 p 5

[Text] New Delhi, Feb. 5 (UNI). The national executive of the truncated Janata Party today decided to maintain its identity and elected Mr Indubhai Patel as its president.

A meeting of the national executive resolved to "maintain the identity of the party at all costs and take steps to strengthen the organisation."

The president was authorised to oppose the Janata Dal application for transfer of the party symbol and take necessary steps to reoccupy the office.

Talking to newsmen here, Mr Patel claimed that 102 members of the party attended today's meeting where many important decisions were taken to strengthen the party at the grassroots level.

Besides Mr Patel, other members who attended the meeting were the former Karnataka power minister, Mr Dewa Gowda, Mr Syed Sahabuddin, Dr Subramaniam Swamy and Dr Sorjni Mahaishi.

Mr Patel said the Janata Dal had forcibly occupied the central office of the Janata Party and steps would be taken to remove them from the premises.

He claimed support of at least 15 members of the erstwhile Janata Party national executive for his move to maintain the party identity.

He said he would soon announce the office bearers of the party at the executive meeting on March 3, here.

The Janata Party convention will also be convened by mid-May to draft political, social and economic policies of the party. He said the Janata Party would work to change the political scenario" of the country. [quotation marks as published]

The executive committee also authorised Mr Patel to fill in vacancies caused by joining of members into Janata Dal. Mr Patel said that he invited all the national executive members of the party's meeting, but most of them did not respond to the call.

**Planning Commission Releases Annual Plan Document**  
46001330 Calcutta *THE TELEGRAPH* in English  
6 Feb 89 p 7

[Text] New Delhi, Feb 5 (PTI, UNI): The Planning Commission has expressed concern over the country's balance of payments (BoP) position, and called for "sustained and well directed" efforts for maintaining its "viability" without constraining growth and capital formation.

In its 1988-89 annual Plan document released today, it wanted the country's trade deficit to be "adequately contained" by rapid export promotion.

It said in fact export development acquired particular importance as means of sustaining adequate and uninterrupted "supplies of imported inputs for smooth functioning of the economy, activating idle capacity and requiring industries to attain gradually international competitive standards."

At the same time, it said, diversification and efficient import substitution programmes would require "continued" support.

The document underscored the importance of counter-inflationary demand management policies for ensuring a viable balance of payments position.

### High Priority

It also called for the continuation of the high priority accorded to exports and further exports to "improve and expand export-related infrastructure facilities." It also placed emphasis on better utilisation of capacity in the steel, fertilisers and other key sectors.

The Plan envisaged measures to improve long-term profitability of exports so as to induce well-equipped firms to plan for accelerated growth of their export operations.

### Plan Finance

To promote development in the conditions of relative price stability, the Commissions aid it would be of "utmost importance" to finance the Plan in a non-inflationary manner.

"Every effort will have to be made to examine receipts from taxes and other sources, restrain the growth of non-Plan expenditure and prevent any erosion of resources." It said monetary policy would also have to be so operated as to help in curbing inflationary pressures and facilitate orderly financing of the investment programmes.

It however, noted that encouraging exports in 1987-88 acted as a mitigating factor in tackling the balance of payments problem.

This was evident from the fact that the trade deficit in 1987-88 stood at Rs 6,624 crore, which was lower by about Rs 900 crore in relation to the 1986-87 level.

Reviewing the performance in 1987-88, the Plan said consequent to the drought for the fourth successive year, food production declined by 4.4 percent but the redeeming feature was that the industrial sector maintained its upward trend and registered a growth of 7.7 percent.

Infrastructural sectors had also performed well, particularly, the thermalelectricity, railway, and coal sectors.

The rate of growth in gross domestic product was estimated to have been between 2.5 to three percent in 1987-88.

Due to the impact of drought, there was, however, a decline in fresh industrial approvals. The intermediate and consumer goods industries also grew only about 4.5 percent in 1987-88.

The annual rate of inflation also increased substantially during the year.

### State Outlays

For 1989-90, the last year of the Plan, the outlays of 21 states and all the Union Territories finalised so far reveal an increase of about 10 percent over the current year's level.

Assuming a similar stepup of 10 percent in the outlays of the remaining four states and that of the Central Plan for 1989-90 to be indicated in the coming Budget, the total public sector outlay for the next year may be about Rs 54,000 crore at current prices or about Rs 40,300 crore at 1984-85 prices.

Thus, the Seventh Plan outlays may exceed the Rs 180,000 crore level even in real terms.

### Problems of Using Orissa Interim Test Range Examined

46001336 Madras *THE HINDU* in English  
9 Feb 89 p 8

[Editorial: "Storm Over the Test Range"]

[Text] The Defence Ministry's decision to go ahead with its plan to testfire the "Agni" type missile from the interim test range at Chandipur in Orissa some time in March has once again brought to the fore the controversy over the proposed location of the permanent National Test Range at Baliapal in Balasore district. The issue has been hanging fire for over two years now, and the bitter opposition even to the interim site signifies the determined bid of the residents to stall the action of the Defence Ministry. Apprehending that the Government might force entry into the Baliapal-Bhograei area in a move to go ahead with its plan, the entire area was practically placed under siege by the agitators who formed a mass organisation enrolling volunteers for its "suicide squad". The people of the 15 villages near about Chandipur too have formed a similar association and have prevented the district officials from entering the area. [sentence as published] For some reason or other, the residents seem to feel that the test range would jeopardise safe living, and they would be forced to evacuate their homes and be left in the lurch. Mr. Biju Patnaik was among the State's Opposition leaders who have been vociferously arguing against the test range at Baliapal and have accused the Centre of having a closed mind on the matter. A self-styled "Organisation of

Democratic Rights" went to the extent of saying that the proposed range was against the country's basic concept of non-alignment. It alleged that the project would convert the State into a "graveyard" and should, therefore, be opposed in the interests of peace and wellbeing of mankind. All these statements have in a way influenced the thinking of the people and they refuse to be convinced that the project, besides being one of great national importance, would not pose the kind of danger projected by its critics. The issue has clearly been politicised with the Opposition parties trying to prevent the range from taking shape "at all costs."

The fact of the matter is that the project as originally conceived does entail displacement of some 10,000 families in 126 villages. This apart, it would throw out of employment a large number of people engaged in fishing in the sea and in the Subarnarekha confluence. It is also true that the site of the proposed range is one of the most prosperous agricultural areas in the State. The assurances of the Chief Minister, Mr J. B. Patnaik, that the Union Government was preparing a comprehensive plan of action to protect the interests of the residents in diverse ways have had no impact so far. In a genuine effort to assuage the feelings of the people, the Defence Ministry agreed to make certain vital modifications such as for instance reducing the area required for the range head from 115 sq. km. to 68 sq. km. which brings down the number of persons likely to be displaced to 50,000. It was also said that cultivation and fishing in the area would be allowed subject to certain regulations. The villagers have not reacted favourably to these changes, and, on the other hand, have intensified the agitation. The insistence of the Defence Ministry in locating the range in the stipulated area is understandable considering the many plus points in its favour. It is stated by the Defence scientists who have also examined several alternative sites that for short range missiles the sea around Balasore is very shallow for long stretches and their recovery after impact is quite possible. Further, the very favourable meteorological conditions such as the absence of cyclones, shelter from sea and air routes, clear firing zone for long range missiles are among the other features that go to make Baliapal an ideal site. It is for the political parties to take a dispassionate view of the matter and now allow considerations other than purely scientific and humanitarian have an overriding influence. Unfortunately, the record of the Governments generally—both at the Central and the State level—in the matter of rehabilitation of displaced persons has been so tardy that the Orissa villagers do not take the assurances given in this regard at their face value. The project itself provides employment to several persons besides offering facilities for ancillary industries. The Centre could possibly offer suitable monetary compensation also to the affected families, for what is important is to see the project through.

#### **Reportage on Developments in Defense Production**

##### **Private Sector To Be Opened**

46001332 Bombay *THE TIMES OF INDIA* in English  
9 Feb 89 p 1

[Text] New Delhi, Feb 8 (PTI). The government plans to throw open the defence industry sector to private and

public and small enterprises in a bid to make them partners in the core sector.

This was disclosed by Dr V. Arunachalam, scientific adviser to the defence ministry. He said henceforth the defence research and development organisation which he heads, would concentrate on a limited number of high technology sectors and draw in private, public and small sectors to be partners rather than trying to do everything inhouse.

Mr Arunachalam disclosed that the DRDO [Defense Research and Development Organization] had now established a technology base in key areas like the composites and in the material science for "Kanchan" armour for the main battle tank (MBT).

He said the DRDO had also ventured into advanced computer systems and had established a specialised group for the purpose.

Dr Arunachalam who was speaking in the DRDO's directors and scientists annual conference here said the emphasis in the country now was to reduce to bare minimum, the dependence on imported components.

Listing specific cases, he said the new ground-to-air Trishul missiles and surface-to-surface Prithvi missiles and the Indian made radars were cost effective and compared very favourably with foreign manufactured alternatives of their class.

He said the DRDO's thrust in the nineties would be on a consortium approach in which development, production and user agencies all worked together. While simultaneously horizontal links with academic agencies and pre-planned, product managements would be worked out.

He indicated that this would be the mandate on which the network of defence laboratories would focus in order to ensure that the country's armed forces were equipped with "cutting edge" technology.

Dr Arunachalam said in the decade from 1977 to 1987, the production value of the indigenous research and development effort in the defence sector totalled Rs 1,563 crores. He said this was 4.5 percent of the total defence outlay which was far lower than that of many developed countries.

Conceding that there had been failures in many fields in the vital sector, Dr Arunachalam said, "but we are now a mature body of scientists and technologists. We learn from mistakes and push on to improve the systems."

UNI adds: The defence minister, Mr. K. C. Pant, underlined the need for greater dynamism in the functioning of defence public sector undertakings to enable the country [to] compete effectively with foreign producers on quality and price.



"The defence public sector undertakings should produce goods at competitive prices and ensure quality and delivery schedules. Besides, they should generate enough surpluses which can be ploughed back for expanding the units and for research and development," the minister said while inaugurating the conference here of the chief executives of public sector undertakings.

#### **'Bureaucratic' Controls a Problem**

Bombay *THE TIMES OF INDIA* in English  
8 Feb 89 p 17

[Excerpts] New Delhi, Feb 7. Even as the government is making brave but not new statements on military exports, defence public sector undertakings are finding themselves severely constrained in the implementation of their corporate development plans. [passage omitted]

Long-term growth strategies apart, some of the undertakings are facing operational problems caused by lack of orders, under-utilisation of capacities, foreign exchange crunch and ban on dealing with agents of foreign suppliers.

If the chief executives feel free they could bitterly complain of bureaucratic controls which retard the growth of their companies making their production less viable and units less competitive.

A top financial administrator admitted that the major units needed to be freed from the stranglehold of the defence ministry.

These undertakings operate in an atmosphere that is quite unfavourable as compared to that in which the private sector units function.

Bharat Earth Movers Ltd., for example, has to wait for years for government approval, while its private sector rival sails through with its proposal for foreign technical collaboration for a heavy-duty engine.

When it comes to exports, obviously one wing in the government does not know what the other is planning to do. Another undertaking, two months ago, frantically asked the government for permission to export a small weapon system since it was facing the prospects of an idle assembly line. It has yet to get a reply.

The problem of capacity utilisation has become acute following cut-backs in the budget for fresh orders by the user services. Often, the units find it difficult to expand capacities in the absence of firm orders, and under some government procedures—the user services cannot place an order on a production unit unless it has an established capacity!

The proposals for diversification and expansion submitted by the undertakings months and years ago have been hanging fire, even in cases where the unit wanted to use only internal resources.

Of course, there was the extraordinary case of the government wanting Bharat Electronics Ltd to vacate a profitable line and make way for the private sector.

While conscious government policies have limited the size of operation of public sector companies, they are expected to compete in the world market against units and consortia which have several times their turnover and R and D budgets.

Also, while defence undertakings are being discouraged to go into production for civilian needs, their customers are free to import or buy from the private sector. Restricting an industrial undertaking strictly to the military field is a policy that is followed neither in the United States nor in the USSR. General Electric is free to make a washing machine or a radio set just as an optoelectronics unit in the Soviet Union is encouraged to make crystal ware.

Unless the company has overall strength and profitability, it cannot take challenging new projects nor can it attract talent. According to sources in the defence industry, a company which starts stagnating will not be able to keep itself technologically advanced.

That each company should have flexibility in charting out its growth path is conceded by the government which is keen that the defence undertakings sign memoranda of understanding with the administrative ministry. This issue would also come up for discussion at the meetings of the chief executives.

The eight defence undertakings produce stores and equipment worth about Rs 2,000 cores. The ordnance factories turn out production worth Rs 1,800 crores.

The latter produce a variety of armaments including artillery, small arms, tanks, infantry combat vehicles and ammunition. These also produce rockets, grenades, mines, optical and fire-control systems, bridges, clothing and personal equipment.

The defence undertakings make war ships, aircraft, military-grade electronics, special alloys and missiles. They also meet critical requirements of the non-defence users in allied fields.

#### **Seminar Examines Trade With Soviet Union, Prospects**

46001334 Calcutta *THE TELEGRAPH* in English  
9 Feb 89 p 13

[Text] Calcutta, Feb. 8 (PTI): The trade turnover between India and the USSR has been targeted to increase to RS 10,000 crore by 1992 from the current year's estimate of Rs 7,000 crore, according to the president of the Indo-Soviet Chamber of Commerce, Mr S. S. Kanoria.

Addressing a seminar on Indo-Soviet trade here last evening, Mr Kanoria said that with active cooperation and serious discussions between the two countries, the target could be achieved.

He said the trade pattern between the two countries had undergone a qualitative change. Services now occupied an important position, while India was constructing hotels and opening up Sate Bank of India branches in the USSR, a premier Soviet bank was given the permission to open a branch in Bombay.

The seminar was held under the joint auspices of the USSR consulate in Calcutta and the newly set up Indo Soviet Chamber of Commerce.

The deputy head of the USSR trade representation in Calcutta, Mr A. Denosin, said the rouble would be devalued by 50 percent against convertible currencies to improve the country's international trade.

Elaborating the point, the USSR consul in Calcutta, Mr S. M. Foshkin, said the devaluation would be done in phases by 1990-91. The action was aimed at coming out of the stagnation the USSR industry was facing at present.

Emission of capital had also created problems for the Soviet economy as had the downward trend of crude petroleum prices, now ruling at levels below that of 1973, the consul added.

Mr Denosin said during the fourth session of the Indo-Soviet working group on machine building and production cooperation in New Delhi 17 collaborative ventures in production valued at Rs 123 crore were approved.

The Mining and Allied Machineries Corporation (MAMC), Heavy Engineering Corporation (HEC) and Bharat Heavy Electrical Ltd (BHEL) are among the companies to get Soviet cooperation in various projects, he said.

The Indo-Soviet working group was a constitutive part of the Indo-Soviet commission on economic, scientific and technical cooperation, and inter-governmental body.

Earlier in his presidential address, Mr Kanoria said of the 55 proposals for joint ventures now under consideration, 31 were proposed to be set up in India and the rest in the USSR.

He said the eastern region had a major part to play in Indo-Soviet trade as 25 percent of the total trade turnover is handled or passes through the Calcutta office of the Soviet trade representative. For this, the Indo-Soviet Chamber of Commerce was set up in Calcutta, he added.

The vice-president of the chamber, Mr G. D. Shah, said Indian businessmen needed more knowledge of the Soviet capability and markets.

Commenting on the adverse balance of trade that the Soviet Union was having with India since 1984-85, Mr Shah said the Soviets would have to market their products more vigorously. He suggested that the USSR hold an exhibition in India of their products and machinery.

**Press Told Decisions of National Front Meeting**  
46001329 Bombay THE TIMES OF INDIA in English  
11 Feb 89 pp 1, 3

[Text] New Delhi, February 10. Buoyed by the electoral victory of the DMK [Dravida Munnetra Kazagham] in Tamil Nadu, the National Front leaders have seized the initiative during their two-day parleys in the capital by declaring that they will contest the Lok Sabha election on a joint manifesto. The draft of the manifesto will be ready by April 15, according to them.

Announcing the decisions of the National Front (NF) chief ministers who met here yesterday, and of the Front presidium which met today, Mr V. P. Singh convener of the Front and the Janata Dal president, said the presidium had decided to recognise the merger of the constituents of the Janata Dal into one party. Hence, the presidium would have eight members instead of the original 11, and would represent five parties.

This, in effect, formalised the expulsion of the Janata Party the Jan Morcha and the Lok Dal. On the other hand, all the decisions of the Front were conveyed to the leftist parties.

Among those present at the press conference were Mr N. T. Rama Rao, NF president and Andhra Pradesh Tamil Nadu chief minister, Mr S. R. Bommai, Karnataka chief minister, Mr Dinesh Goswami, leader of the AGP [Asom Gana Parishad] in Parliament, Mr S. C. Sinha, Congress (S) president, Mr P. Upendra, TDP [Telugu Desam Party] leader, and Mr Ram Bilas Paswan, Janata Dal general secretary.

Mr V. P. Singh announced that Mr Surendra Mohan would be the convener of the Front's manifesto committee. There would also be sub-committees for different sectors like agriculture and education, which would include experts from outside the Front. The Front's presidium would meet here on March 4 to give the political guidelines for the draft. After the draft was ready, efforts would be made to get the reactions of the general public and experts by holding seminars and discussions.

Mr V. P. Singh declared that the Front had now emerged as a national political entity, and decried the Prime Minister's frequent outbursts against its leaders and policies. He referred to the resolution of the presidium on "current political situation", which stated that "the Prime Minister has lost his equanimity in view of the continuous electoral reverses in different parts of the

country". Mr Singh said the Prime Minister's irresponsible statements were a reflection of his inability to manage the affairs of the country or even those of his own party.

Mr N. T. Rama Rao, brimming with sarcasm, observed that the Prime Minister's unprecedented 11 visits to Tamil Nadu during the election campaign had actually resulted in a loss of 40 seats for his party. He said the National Front was a "mission" and not a mere political party, and proceeded to deliver the usual platitudes for the uplift of the masses.

Yesterday's meeting of the NF chief ministers from Andhra Pradesh, Assam, Haryana, Karnataka and Tamil Nadu reached a consensus on 21 specific points, besides the agreement to appoint a Lok Ayukta in every state assembly before whom all legislators would have to annually declare their financial assets.

Mr Rama Rao said the chief ministers wanted to see to what extent these plans could be "carried through to a practical vision".

There had been a preliminary discussion by the chief ministers on November 17, 1988, on the 71-point programme of the Front. In January the chief secretaries had met to discuss the issues and submit a note for their consideration. The Karnataka chief minister had also come up with some of his own suggestions. All these had been discussed yesterday. It was decided that, henceforth, a meeting would be held every two months to review the programme.

The Front has also decided to appoint a sub-committee to go into the question of implementation of land reforms in various states and come up with concrete details. It was agreed to consider the question of giving a statutory status to minority commissions. Wherever necessary, legislative methods would be resorted to for fulfilling the reservation quotas of jobs for scheduled castes, scheduled tribes and other backward classes.

The chief ministers wanted direct elections for the heads of the panchayati raj institutions at district, block and village levels. Mr V. P. Singh alleged that in Uttar Pradesh, the state government had been able to influence the indirect elections of the heads of the institutions although the direct elections had given the opposition parties the majority.

Meanwhile, the National Front announced a programme of rallies and conventions. Three rallies would be held in April and May in Orissa, Rajasthan and Kerala. The scheduled tribes and scheduled castes convention would be held on March 5 in Patna, that of the farmers in Andhra Pradesh towards the end of March, the minorities in Lucknow in April, the women in Bombay in April or May and the trade unions in Bombay on May 1.

PTI adds: The Front-ruled states will set up land tribunals to identify benami transfer of land in violation of land ceiling act and take early steps for the distribution of surplus land.

It was also agreed to set up special courts, as done in Andhra Pradesh, to deal with cases of atrocities on women and the weaker sections, including scheduled castes and scheduled tribes. Women judges, whenever available, will be appointed to the special courts dealing with crimes against women.

### **Commentary: No Better Relations With Pakistan Under Bhutto**

46000113 Lahore NAWA-I-WAQT in Urdu  
17 Feb 89 p 12

[Commentary by Akbar Krishna: "A Hard Line"]

[Text] The Indian government may be cock-a-hoop over Benazir Bhutto's appointment, but it is unlikely that the Pakistani prime minister will advocate closer ties with this country. To do that, says Akbar Krishna, would mean certain political suicide.

I wonder if I am the only one on this side of the border to greet Benazir Bhutto's assumption of office in Pakistan with a considerable degree of ambivalence. As she took the oath of office in carefully-chosen Islamic green, with her striking face demurely framed by a couple of metres of respectable silk, two conflicting reactions played emotional tug-of-war within me. One has, how predictable it all seemed: the inevitable rise of yet another dynast to a subcontinental throne, a position pre-ordained for her by her father's name and legacy. The other was admiration for the courage and cunning she had revealed throughout years of adversity, the staying-power and determination that had finally won her the prime ministership in her own right.

In the end, and perhaps because I had half-feared that the mullahs and the military would find a way to cheat her out of her legitimate election victory, the admiration won over the cynicism. I looked from the bright green of her kameez to the dull green uniforms of the braided generals around her, and silently wished her well.

But, while anyone can be forgiven for backing a good-looking, 35-year-old woman with a newborn baby and a nice taste in ayatollah-approved apparel, is Benazir going to be good for India? Here my ambivalence is a little less easily resolved. There are many, who see her as Pakistan's Rajiv—a scion of the post-independence generation, less prone to the atavistic hostility and instinctive suspicions that have bedeviled relations between past leaders of the two countries, anxious above all to get her nation on the move and to focus on economic development rather than military adventurism.

Both are young, accustomed to power, inheritors of an old political tradition and Western-educated: they should have more in common, it is suggested, than any two subcontinental prime minister since Panditji and Liaquat, with less to divide them than those two had. I do not disagree, but am not sure that the analysis justifies the conclusion.

All right, so Benazir is more of a secularist than any alternative Pakistani leader (with the exception of Ghulam Mustafa Khar, who burnt his boats in the recent intra-PPP [Pakistan People's Party] squabbles). This does indeed mean that she should be less reflexively anti-Indian on religious-ideological grounds, but it does not imply that she is necessarily any better disposed toward New Delhi than her father was. Her view of the Bangladesh crisis is not only viscerally hostile to India's motives, but even distorts the actual events that led to East Bengal's secession.

For all her youth, Benazir is still imprisoned by the mistakes of the past; as a loyal daughter she remains completely unable to disavow her father's beliefs and actions. Since Zulfikar Ali Bhutto practically built his career on his voluble hatred of India, his daughter cannot simply slough off the heavy intellectual baggage she has been saddled with. The daughter of the man who ranted, with breathtaking illiteracy, of a "5000-year-old war" between Pakistan and India, is not going to become an India-lover overnight.

Benazir may be no religious fanatic, but she is also too smart to make a virtue out of any secular instincts her education and upbringing may have encouraged. On the contrary, as she has shown in her careful attention to such matters as clothing and marriage, she knows exactly what sells in Pakistan and what she can get away with. Benazir Bhutto is not about to promote any minority trends.

At the same time, the pressure on her to "stand up to India" is going to be much greater than it would have been for an avowed Muslim fundamentalist, who would have nothing to prove; a suspected secularist is much more vulnerable to attack from the fanatics.

Recent history has proved that extremists make better peace-makers: Nixon with China and Begin with Egypt succeeded, where a liberal Democrat, moderate Labourite, respectively, would not even have got off the ground—primarily because the Nixons and Begins would have accused them of a sellout, had they tried.

For both these reasons, therefore, Benazir will be much less inclined towards Indian than some of our desi savants prefer to imagine. And in this, she will be buttressed in the wary, you-watch-me-and-I'll-watch-you relationship with the military on which she has embarked since the beginning of the election campaign. She has a vested interest in keeping the soldiers happy, because not to do so would be, in her own words, to

invite a military takeover. This is why she was promised not to touch the stupendous 40 percent of its budget, her government allocates to 'defence' expenditure (the real figure is probably even higher).

The military, in turn, has a vested interest in hostile relations with India, to justify their extra-large slice of the national cake—all the more necessary if the stop-and-start Russian withdrawal from Afghanistan removes one good excuse from the western border. A fence-mending government in Islamabad would be decidedly inconvenient for the military, and what is inconvenient for the military, it will soon be clear, is inconvenient for Benazir.

It is, of course, perfectly understandable that Benazir should put survival in office above any of the obvious advantages of friendship with India. She is vulnerable to threat on many scores; as a woman, as a 'leftist' (though like her father's, her leftism is largely, an expediency: she is somewhere to the left of self-interest), as someone, who in the past was hostile to the military, as someone, who was lukewarm on Afghanistan, as someone, too young to rule. These are all things, she cannot do much about except to live down.

The last thing she will want to do is to add to the lit of her vulnerabilities, the charge that she has betrayed national interests vis-a-vis India. We should, therefore, expect Benazir to be more, not less, inimical to us on such matters as Kashmir, the Siachen dispute, and even terrorism in the Punjab. Whatever the image she wants to project internationally, she would not want to appear soft to her generals, on India. She simply cannot afford to do that.

In other words, let us, by all means, be happy that electoral justice was done in Pakistan in the only fair and free election that unhappy country has ever really had. But let us not burden Benazir, our ourselves, with the weight of unreasonable expectations of Hindi-Paki, bhai-behen. She wants to rule and at least for now, the two objectives may not be compatible.

**Analyst Writes on Strained Ties With Pakistan**  
46001335 *Madras THE HINDU in English*  
9 Feb 89 p 1

[Article by K. K. Katyal]

[Text] New Delhi, Feb 8. There are dangers of a setback to the positive trends in Indo-Pakistani relations, set in motion just six weeks ago by the personal rapport the two Prime Ministers, Mr. Rajiv Gandhi and Ms Benazir Bhutto, established during their frank but constructive talks in Islamabad. This is because of the controversy over the latest evidence of Pakistan's nuclear capability—and the way the two have conducted themselves. India, in particular, has emerged poorly from this episode. On the one hand, it was seen as reacting peevishly

to a show of confidence and strength by Pakistan, and on the other, it attracted the blame for spoiling the atmosphere of cordiality and warmth.

Reports from western sources confirmed that New Delhi had maintained, but Islamabad denied all along, that it had acquired the technology and raw material to make the bomb. This information was with India before Mr Gandhi went to Islamabad. Even otherwise, an important subject like Pakistan's nuclear programme could not but have figured in his talks with Ms Bhutto. A better course for the Prime Minister would have been to take up the matter with her again now, in the context of the latest reports and convey India's response to the "new situation".

**Poor handling:** Instead, he chose the Youth Congress (I) rally in Bombay for what appeared an unguarded comment. India, he said, would take steps to ensure the country's security in the light of the "recent advance" in Pakistan's nuclear programme. Whether the warning served to reassure the country is hard to say, but it did attract attention for other reasons—as an abrupt departure from the recent conciliatory utterances. India had a good case, but it was spoiled by bad handling.

It was the same with regard to the test-firing by Pakistan of a long-range rocket with a scientific payload of 500 kg to an altitude of 300 km. India, on its part, withheld testing its IRBM, with a range of over 2,000 km, lest it reverse the upswing in relations with Pakistan. As if to drive home the message to New Delhi, it was Pakistan's Army chief, Gen Mirza Aslam Beg, who announced the test, describing it as a landmark in indigenous arms production. India had to option but to make a grievance of the Pakistani action.

**No follow-up:** Mr Gandhi's visit to Beijing was followed up by an exchange of warmly-worded letters between him and the Chinese Prime Minister, Mr Li Peng. By contrast, there was no contact between Mr Gandhi and Ms Bhutto after his return here from Islamabad.

This has accentuated the danger of drift in relations between the two countries. As the bigger one, India should have taken initiatives in the bilateral field: instead it was seen reacting to developments across the border. That was bad enough, but worse was the way it allowed Pakistan to score easy diplomatic points. While Mr Gandhi protested publicly against Islamabad's nuclear programme and the test-firing of rockets, Ms Bhutto described the controversy as a mere hiccup in the normalisation process.

**Spread too thin:** India's Pakistan policy appears to lack coherence. This is surprising because of the attention paid to it both by the External Affairs Ministry and the Prime Minister's office. The slippage could be traced to

the inertia of the Ministry's Pakistan division and the fact that the Prime Minister's office has spread itself thin in the midst of its pre-occupation with issues, big and small.

### **Commentary Criticizes Muslim League Politics Based on Islam**

46240026 New Delhi NAVBHARAT TIMES in Hindi  
8 Feb 89 p 4

[Article by Iqbal Ansari: "How Long Will the Muslim League Keep Up This Show?"]

[Text] On the 10th of January, the Indian Union Muslim League leader G.M. Banatwala said in a public meeting in Bareilly that the people should express their resentment against the government by making the Muslim League successful in the election of local assemblies. Referring to the Bharatiya Janata Party [BJP] he remarked that the public is very well aware of this party's intentions and its character. He said that on account of obstacles created by the Bharatiya Janata Party, Urdu has not been able to occupy its rightful place in Uttar Pradesh. In addition Banatwala also held the Bharatiya Janata Party responsible for communal riots occurring in the country.

This whole matter is not very old. In the 1984 parliamentary elections, Sikander Bakht was the BJP candidate from the Chandni Chowk constituency of Delhi. The Muslim League appealed to voters to make Sikander Bakht successful and fully supported him. At that time what the League leaders said was that they were doing this only to defeat the Congress but nowhere else did the League fully support the BHAIJA [Bharatiya Janata Party]. Right then we had written: Has the League adopted this double standard because the Bhajpa candidate from Chandani Chowk was a Muslim? But there was no answer from any Muslim League leader.

If the League had done this only with a view to defeat Congress, then why did it support Congress in Kerala and why did Suleiman Sait and Banatwala himself obtain Congress support for their victory and won? Double standards everywhere and pursuit of self-interest by hook or by crook has always and everywhere been the League's policy.

Just a few days ago, the chairman of Uttar Pradesh Muslim League Mohammad Suleiman said in a press conference in the city of Rampur that the League will fight elections in 12 districts of Uttar Pradesh—Kanpur, Meerut, Muradabad, Rampur, Jhansi, Saharanpur, Bareilly, Varanasi, Muzaffarnagar, Ghaziabad, Nainital and Aligarh. In this context Suleiman also said that the League will not issue any election manifesto of its own. Another interesting thing that Suleiman said is that "So long as Muslims do not get rights in their capacity as Muslims, till then they will continue to remain backward." However, the most interesting thing that

Suleiman said was that "So long as the Muslim parties do not obtain their full representation in the parliament and assemblies, Islam will remain in danger."

The Muslim League, as is clear from its name, is basically a political party of only (a few) Muslims. In other words, compatriots of other communities have nothing to do with it and it has nothing to do with the compatriots of other communities. Because the League Muslims have grouped themselves politically on communal basis, there is no question of these Muslims obtaining any sympathy from a person of another community, because it is no secret that this political party is a group of a few particular people who have a particular persuasion. Therefore while on the one hand it separates itself from other people, it also stands in the way of others getting close to it. If we look at it impartially, doesn't this action of Muslim League amount to segregating the Muslims from the national main stream?

Moreover, if Muslims can unite on a communal basis, why can't the Hindus? You form the League, they will form Shiv Sena, they will form World Hindu Society, they will form Bajrang Dal, they will form Shiv Shakti Dal. How can you complain when others do what you have yourself done? Taking an unfair advantage of the flexibility of Indian constitution, if you can become a communalist, others too have the same right. You have no right to brand Shiv Sena, Bajrang Dal, World Hindu Society and Bhajpa communal and fanatic when you are yourselves communal and fanatic. If you are free to get Muslim votes from a Muslim platform, they are also free to collect Hindu votes from a Hindu platform. While persisting in your own communal activities, you cannot object to the communal activities of others. Today when the situation has become practically explosive, the need is to reduce communal tension from one's thoughts and actions, and to promote unity and goodwill. But you, with your thinking and actions, are incessantly cutting at the roots of whatever remains of unity and goodwill and are continuously aggravating communal tension. Are you not satisfied with the abundance of riots and destruction? After all, with the object of promoting your politics and strengthening the foundations of your leadership, how much bloodbath are you prepared to accept? To keep your political pot boiling, how much arson you are prepared to tolerate? To build your political mansion, how much property do you want to see destroyed?

You talk of eradicating backwardness of your community, but do you believe that your community's backwardness will end if you continue keeping them separate from the national mainstream, and continue to provide grounds for others to unite on communal basis and create a climate in which they can flourish?

There is no parallel to the alacrity and the ease with which Islam in India is perceived to be in danger. The fact is that Islam was never in danger, it is not in danger now and never will be. Muslims were driven out of Spain, their masjids were demolished, but Islam is still

thriving in the world and there are more followers of Islam today than there were in that era. If you have to be a leader and if you are truly a well-wisher of the Muslims, then go and join a secular political party and place your point of view and your problems in the forums of national parties, develop contacts with people of other communities, convince other communities through your thinking and your actions that you are not a special creation of God but are human beings just like them, and you are Indians just like them. Why do you say that problems of Muslims are only Muslims' problems? When will you learn to think and to say that Muslims' problems are India's problems, national problems?

You are trying to bring all Muslims on a single political platform on communal basis. Just think that if all the Hindus of the country also unite on one platform on communal basis, will a confrontation between these two groups bathed in communal frenzy become inescapable or not? How terrible will be this confrontation? And what will be its consequence?

## IRAN

### Text of Montazeri's Speech on Revolution's Tenth Anniversary

46000118 Tehran KAYHAN INTERNATIONAL  
inEnglish18 Feb 89 p 8

[Speech of Ayatollah Al Uzma Hussein Ali Montazeri; date and place not specified. First paragraph is introduction by KAYHAN INTERNATIONAL]

[Text] On the occasion of the 10th anniversary of the victory of the Islamic Revolution in Iran, Ayatollah Al Uzma Hussein Ali Montazeri spoke to a group of visitors. Emphasizing the necessity to evaluate and review the performance of the first decade of the Islamic Republic regime in Iran, the Ayatollah commented as follows:

"One of our religious decrees, to which both reason and faith subscribe, is the decree according to which we must all take daily reckoning of the deeds and actions. If the balance is in our credit we should ask the Lord to make it possible for us to continue our good deeds. If the balance is in the red, we should then repent for our wrong-doings.

"This command is for all to observe including those who hold positions of authority, whose reckoning has greater significance. Well, this is the command of His Holiness Imam Ja'afar Sadiq (A.S.). However, if we have failed to abide by it and observe it every day, let us do it now for the entirety of the past ten years.

"The Islamic Revolution in Iran was not in the hands of just a few. All people rose. People from all walks of life revolted. The world, with all its Eastern and Western support could so readily fold up and collapse before their very eyes: a regime that was economically sound and had all the levers and facilities needed to crash any uprising.

but the empty-handed insurgents had much more effective and viable tools. They had faith and they enjoyed a dedicated and decisive leadership. These factors were what caused the overthrow of the corrupt regime. The analyses and calculations of the superpowers all proved false.

"Thus, this is an important revolution that has shaken the world and set off a wave of activities and repercussions that have reached the remotest corners of the earth. The world has come to regard it with awe and grandeur. After ten years we should now see what have our actions, failures and achievements been.

"Some time ago I held a discussion on celebrations and festivities and I point out that the past decade of the revolution may be celebrated in two ways. I did not say that no celebration should be held. One way to celebrate is to arrange a program of amusement, to spend money on light entertainment, without taking into consideration what we have done, what we wish to accomplish and how far we have advanced. This type of celebrating I ruled out improper, wrong, childish and immature.

"However, there is another way to celebrate the anniversary of the victory of our revolution. It requires daily, weekly and annual study by all of us, individually and collectively, of all that we have done and achieved. This revolution belongs to every Iranian and so does its celebration. We must not settle for light amusements. We must not just come together and praise one another and deliver speeches declaiming this and that as our feats and accomplishments and thus pretend to fool ourselves. We cannot, however, deceive the world.

"Sometime ago the Royal Institute of London, a foundation that has nothing to do with us, arranged a seminar on the Iranian Revolution. They still regard themselves as masters of the world and had arranged that seminar to study the effects of our revolution; what threats, if any, has occurred to their interests from this revolution; what are the present conditions of this revolution and whether it can survive; what are its failures and points of weakness? Such seminars also study the ways and possibilities for smothering the Islamic revolution. It is pitiful! While the enemies of the revolution are busy with such considerations, we spend time voicing slogans and praising ourselves.

"Let us remind ourselves of the zeal, the enthusiasm and fervor of our people, of our youth during the early days of public demonstrations. Let us remember those marches and morale and spirit that pervaded throughout their duration. Let us consider the economic resources that were available to us then; the cooperation, coordination, devotion, mutual indulgences, concessions and generosities that were manifest in all early-day activities. How we all depended on one another—the clergy, the students, the businessmen! What became of all that unity and sacrifice? We must figure out whether we did well in the imposed war or did our enemies win?

"We ought to calculate our invaluable losses of manpower, of towns and cities destroyed and see if we have erred. If we have, we can atone for them and, at least, prevent their recurrence. We must realize that we have voiced slogans, many of which have contributed to our isolation in the world; slogans for which there was no need for there were wiser ways but we closed our eyes and ears and cried: "It is as we say!", and later found out we were wrong. We must understand our mistakes and admit our errors before God and the nation. What harm is there if a responsible authority comes out and declares his error publicly?

"We have made many mistakes during the imposed war. In some instances we were obstinate and even impertinent. We shouted slogans and made vows that we knew we could not keep or fulfill. Some of our mottos and slogans made the world fear us and think that we murder people in Iran. We have many Iranians abroad who are neither anti-revolutionary nor opposed to the regime and who long to return to Iran, but are afraid to do so because of certain wrong measures taken by us. Not all the things done by us were correct! None of us is innocent!

"Sometimes wrong actions are due to error or mistakes and sometime such acts are due to faults and failure. If we are at fault and do not reckon that we are, we may think that all we do is right and correct. However, if authorities responsible to the people and revolution would realize what we had at the start of the revolution, how far we advanced and where we stand now, we could then make up for our errors. We have been too stubborn in some situations. We failed to listen to sound counsel and advice indicated in our newspapers, radio and television, as well as in the domestic and foreign announcements which were merely trying to guide us to accept mediation. At any rate, we must now take remedial action wherever indicated and be careful to avoid self-centeredness. We should also avoid pressuring some of the people and shelving efficient persons. Our society should be maintained as a free society open to all people for criticism and comment.

"People should be able to speak to us via the mass media of communication. Mistakes can be made by individuals in high positions of authority. The newspapers should not be the monopoly of a few persons. The radio and television should not be in the hands of a few individuals to censor things as they please. When we get to the point where they censor the words of a theological student such as myself, who has been in and for the revolution all along, you can imagine what treatment is meted out to the words of others? Mass communication media belong to all the people and all the people have had a share in the revolution. It is absurd that two or three individuals decide the issues for the nation. All these points need study and consideration.

"One of our demands was freedom minus corruption. We need to be free to express our views and criticism. No criminal file should be forged for anyone just because he

has leveled a criticism against someone, or some issue. Wise and intelligent people have things to say and they say them. Exchanging of views, and consultation leads to a choice of opinions and correct decisions. A criticism may not be valid, but the person presenting it should be free to do so. People should be free to do so. People should be at liberty to express their views. A wrong opinion or idea cannot be held in bonds and chains. Filling up the jails and prisons helps nothing.

"The family of a person having bad ideas also suffer as a result of it. The Imam has very wisely suggested that released political prisoners be absorbed by the society, that they be given employment and be treated with kindness and compassion. In a letter I have received from a teacher I read the following: "I was apprehended while reading a posted (political) announcement and that was all there was to it. I was sentenced to 16 months of imprisonment. Now that I am free and believe in the revolution, I am told that I cannot be a teacher and I can't find work elsewhere. I opened a shop which they closed down for the same reason." Such attitudes and approaches are wrong and un-Islamic. The recommendations of the leader of the revolution must not be ignored. Such persons should become integrated parts of the society.

"With respect to foreign trade, it is my opinion that with the exception of items, the trading in which is prohibited in Islam, other commodities, that can be imported into the country without the exit of foreign exchange, should be allowed to be imported to meet shortages.

"With regard to Iranian citizens living abroad, if we try to brainwash them on arrival at the airport, they shall be scared and will refuse to return. The proper approach is that our diplomatic and consular cadres abroad review the cases of such Iranians who live within their areas. If these authorities need help with this let them request it. They can then have the Iranian citizens come to them for interviews. And if they see that any of those whom they interview are really desirous to return and live in Iran, let them do so. If necessary, they can be asked to express their allegiance in writing. Those so cleared can then leave for their homes immediately on arrival at Mehrabad Airport with no questions asked.

"However, if they are promised a warm reception on arrival here but find it differently when they come, surely they won't return. With the first procedure, very many of our expatriates will return and, among them there will be many individuals who shall be very useful to the country. We have about 4,000 physicians in America, of which we have lists. Nearly three thousand of these doctors may wish to return. These citizens are interested in their homeland. Their being abroad is in itself an invitation to anti-revolutionary (activity). If they return all shall feel safe and secure. It will mean encouragement to many others both at home and abroad. It will mean a change for the good and, after a lapse of ten years, some of our slogans may come true.

"For the country's reconstruction, first of all past mistakes must be set right. Potential energies must be admitted to the country and opportunities should be made available to them to develop. A change in management should be introduced in the country. The reconstruction of the country should begin with adjustments at the management level.

Many persons isolated from within, or without the country, ought to reenter into the nation's affairs.

"Many are the countries that have been defeated in wars but sat down to the task of reconstruction and succeeded in introducing changes in their industry and technology. This they did by employing all of their expert forces. We, too, must mobilize our available potential and be receptive to criticism. We must not take pride only in our past. We should think for the future so as reach our revolutionary objectives and be able to fulfill our promises. If we are interested in the Islamic Revolution and the country, we should act in such a way as to inspire faith in people when they are asked to form (political) parties and to offer their comments and criticisms.

We should gather together in cooperative and collective action all the committed forces we had at the start of the revolution and promote the early-day zeal enthusiasm, teamwork, optimism and the spirit of devotion and sacrifice.

**Iran, Malaysia To Increase Bilateral Trade**  
*46000117d Tehran KAYHAN INTERNATIONAL*  
*in English 21 Feb 89 p 6*

[Text] Tehran, Feb. 20 (IRNA)—Iran and Malaysia have agreed to increase the volume of bilateral trade exchanges to \$160-200 million for 1989, Minister of Economic and Financial Affairs Muhammad Javad Iravani said Saturday.

Upon return from his four-day stay in Kuala Lumpur, he disclosed that letters of understanding were signed for export of around 20,000 barrels per day of crude oil to Malaysia in return for Iran's purchase of Malaysian palm oil.

Besides cooperation in scientific researches, it was also agreed to set up a direct shipping line between Iran and Malaysia, he said.

Iravani was in Malaysia to attend the Joint Economic Commission meet, and delivered Prime Minister Hussein Musavi's message to his Malaysian counterpart, Mahathir Muhammad.



### **State-Owned Companies Incur Losses**

46000117c Tehran KAYHAN INTERNATIONAL  
in English 21 Feb 89 p 5

[Text] Arak, Central Prov., Feb. 20 (IRNA)—Around 120 large state-owned companies accounting for 60 percent of the country's heavy industry sector are under the umbrella of the Organization for Expansion and Renovation of Industries of Iran.

Director general of the organization, Mohsen Sazgar said Friday that most of these concerns like other public and private industrial units were faced with numerous problems due to lack of infrastructural planning.

Most factories are running on loss and producing below their capacities, said Sazgar and listed current problems as the monetary system of import-export regulations, customs formalities, labor law, tax system, and the fluctuating currency rates.

The present laws and policies are import-oriented and do not encourage domestic production and exports, he believed.

However, he assured that most factories could become profitable if they remain independent of oil revenues.

Sazgar said the organization's policy was to boost the non-oil sector and said if the government provides necessary assistance, the country's industries could stand on their own without reliance on oil revenues.

### **Razi Complex Ammonia, Urea Units Resume Operation**

46000114b Tehran KAYHAN INTERNATIONAL  
in English 13 Feb 89 p 6

[Text] Imam Khomeini Port, Khuzestan Prov., Feb. 12 (IRNA)—The ammonia and urea units of the Razi Chemical Complex, damaged during the war, resumed operation Sunday, in a ceremony attended by President Ali Khamene'i.

The units are designed to produce 750 tons of urea and 1,000 tons of ammonia daily.

In his inaugural speech, President Khamene'i praised the complex personnel for their success in repairing the war-damaged units in a short time, describing it as a "miracle."

Khamene'i, accompanied by Oil Minister Gholamreza Aqazadeh and other officials, inspected the various sections of the complex.

Other war-damaged units of the complex are expected to be reconstructed by the end of March.

Zakaria Razi Chemical Complex was bombed heavily by Iraqi warplanes several times during the imposed war, the last time on July 19, one day after Iran's acceptance of the U.N. Resolution 598.

### **Nation Ranks Second in World Copper Deposits**

46000114a Tehran KAYHAN INTERNATIONAL  
in English 5 Feb 89 p 2

[Text] Tehran, Feb. 4 (IRNA)—Kerman's copper mines with proven deposits of 1.2 billion tons and a purity of over 0.7 percent are among the world's richest, said managing-director of the National Copper Industries Saturday.

Mahmoud Shiri said that out of 135 million tons of soil extracted from Kerman's Sarcheshmeh complex, 35 million tons of sulphide has been processed.

The yield since 1981, includes one million tons of concentrated copper, 270,000 tons of anode copper, 140,000 tons of cathode copper, 45,000 tons of copper twisted-wire, he told a press conference here.

The Sarcheshmeh complex exported 13,500 tons of concentrated copper in late 1984, 24,300 tons in 1989 [as published], 30,398 tons in 1986 and 22,860 tons in 1987, Shiri said.

Contracts were signed during 1988 for export of 31,000 tons of copper products to Europe, Japan and South Korea, 27,000 tons of which have been already shipped.

Development plans are under way to attain the complex's projected capacity of 164,000 tons annually, he said.

The official, saying Iran has the world's second largest copper deposits after Chile, concluded that the Sarcheshmeh complex met 99 percent of the country's copper needs.

### **Tunnel, Airport Terminal Inaugurated**

46000117a Tehran KAYHAN INTERNATIONAL  
in English 19 Feb 89 p 6

[Text] Kerman, Feb. 18 (IRNA)—One of Iran's longest tunnels and a new terminal at Kerman Airport were opened by Minister of Roads and Transport Mohammad Saidi-Kiya on Friday.

The Rials 1 billion (\$14.2m)-tunnel, which is 2,005 meters long, 9.5 meters wide, 6.27 meters high will shorten the road distance between Kerman and the northeastern town of Shahdad by 200 kms.

A 70-kms road is under construction to link the two cities, 18 kms of which from Kerman to the tunnel has been completed at a cost of Rials 1.41 billion (\$20.14m).

The construction of the second (28 kms) and third (32 kms) sections of the road costing a total of Rials 1 billion so far, are also about 75 percent complete.

Shahdad is an important citrus-fruit-growing region and the road will help local farmers as well as those of hundreds of villages to transport their products to market centers with greater ease.

The construction of the airport terminal cost over Rials 100 million (about \$1.4m), one-third of which was paid by Kerman Governor General's Office and the remainder from the budget allocated for national plans.

Civil Aviation Organization head, Javad Ra'naie-Far said some 126 projects on development of airports are currently under way in various parts of the country.

#### **Work on Reconstruction of Schools Begins**

46000117b Tehran KAYHAN INTERNATIONAL  
in English 21 Feb 89 p 2

[Text] Ahvaz, Feb. 20 (IRNA)—Work on reconstruction or repair of 110 schools in Abadan and 65 in Khorramshahr devastated in the Iraqi war, began Monday.

A special Education Ministry committee, consisting of officials from Isfahan, Kerman, Khorassan, Fars and Tehran provinces, has been assigned the job of completing the project.

The project got under way in a ceremony attended by the deputy education minister in charge of renovation of schools and other local and provincial officials.

Meanwhile, Deputy Prime Minister and Head of the Central Headquarters for Reconstruction Hamid Mirzadeh, accompanied by a delegation, including Majlis deputies and deputy ministers, inspected various reconstruction activities in Abadan and Khorramshahr Monday.

Khorramshahr was largely destroyed during almost 20 months of Iraqi occupation in the start of the war. Abadan was for some time partly surrounded by the Iraqis but never occupied.

#### **Construction of New Roads Planned**

46400058a Tehran ETTELA'AT in Persian  
29 Dec 88 p 14

[Text] Roads exceeding 1000 kilometers to be completed by the end of year.

Shahrud—ETTELA'AT's Reporter: Roads exceeding 1000 kms will be completed throughout the country by the end of the current year.

This was announced by Engineer Sa'idi-Kya, the Minister of Roads & Transport, who was visiting Shahrud, during an interview with the reporter of IRNA.

He added: This ministry is presently projecting the construction of some 50,000 kms of roads throughout the country, the surveying operations of 10,000 kms of which have already been completed and are ready to be implemented.

The Minister of Roads & Transport cited the Tehran-Mashad highway passing through Semnan, Shahrud, Sabzavar and Nishabur, as the most important plan of the Ministry.

Afterwards, he pointed out that the reconstruction works on the Shahrud-Semnan axis are to begin soon and that the other portions of the Shahrud-Nishabur plan as well as the forked road of Baghcheh are already operational. He said: surveys of this axis from the forked road of Baghcheh to Mashhad to be constructed as a highway have been completed, and the construction works will begin by the beginning of next year.

#### **Work on Tehran Highways To Be Completed Next Year**

46400058b Tehran ETTELA'AT in Persian  
9 Jan 89 p 4

[Text] Social Service: Five of Tehran's important highways will become operational by the end of next year if the needed financial and construction resources are procured.

In an exclusive interview with our reporter regarding the construction of Tehran's new highways, Engineer Musavi, the Development and Technical deputy of Tehran's Municipality, said with the construction of the extension to the Be'sat highway, that is the demarcation boundary between the Koshtargah square and the Behesht-e Zahra highway, which forms Tehran's beltway, a fundamental traffic constraint of the south side of Tehran will be resolved. The asphaltting of the said highway has been completed, and only the construction of the overpasses remain before it can become operational.

He added: The construction works on an extensive section of the Ayattollah Sadr highway which begins from the Moddares highway and terminates at the "newly established" Pasdaran square, have been completed and the remaining sections are underconstruction.

Regarding the 76-meter 'Abbasabad highway, he said: This highway which is the extension of the Sheikh Fazlollah highway to the junction of the Moddares highway, will be opened during the auspicious 10-day of Fajr.

He added: The remaining stretches of the 76-meter 'Abbasabad highway that form the demarcation line of Gandhi avenue up to Modares will become operational with the installation of two, already preabricated and ready to be installed, overpasses over the Africa and

Moddares highways. Utilization of the highway will begin upon completion of the structuring works of the curbstones, parapeting, and asphaltting.

The Development & Technical Deputy of the Tehran Municipality emphasized: If the required financial means and construction materials are made available to the Municipality, all highways that are in the process of being constructed will become operational by the end of the coming year at the latest.

Regarding the dredging of Tehran's flood channels Engineer Musavi said: The dredging of all of Tehran's flood channels have already been completed according to planned scheduled.

He added: simultaneous to the dredging of Tehran's floodways, the basic works related to the pooling of surface waters were in the process and are partly being completed.

Regarding the subterranean tunnels that are under construction he said: At the present time the Tehran Municipality has approximately 70 kilometers of underground tunnels under construction, the most important of which is the 17th Shahrivar tunnel which runs from the Imam Hoseyn square—demarcation lines of the Damavand and Piruzi streets—up to the end of South 17th of Shahrivar street, and the Navvab Tunnel—the demarcation line of the Dr Fatemi, Kargar, Keshavarz Boulevard and Jamalzadeh streets—up to the Firuzabad canal.

He added: The construction of the Khayyam tunnel which begins from the Javanmard-e Qasab avenue and extends up to the north of 'Abbasabad street, as well as the construction of the Firuzabad canal which extends from 'Aliabad and Javanmard-e Ghassab up to the limits of Shahr-e Ray, have been completed and have become operational. Alongside the construction of these tunnels the renovation and restoration of Tehran's floodways that are 80 kilometers long are carried out on a regular basis, insofar as presently contracts amounting to one billion and one hundred million tomans earmarked for the said projects have been concluded with qualified contractors.

Concerning the construction of these tunnels and the schedule for their utilization, he said: Seventy percent of the construction works of Tehran's subterranean tunnels have been carried out, and they will become operational at the latest by the end of next year.

He added: With the construction of the said tunnels, about 80 percent of the problems involving the pooling of Tehran's surface waters will be solved.

Concerning the constraints of the asphalt mixing factories of the Tehran Municipality Engineer Musavi stated: The daily production of these factories is 1500 tons, but during the days when the powers go off production falls,

and in view of the high consumption rate of asphalt, this compels the Municipality to turn to non-government production outlets—a problem creating irreparable losses for the Municipality.

He added: With the commissioning of the newly established asphalt factory of the Tehran Municipality which will take place in Farvardin (21 March-20 Apr) of this year at a production rate of 200 tons per hour, the daily production of this organization's asphalt plants will reach to 3000 tons.

Concerning the construction plan for the Tajrish flood declination tunnel, the Development & Technical Deputy of the Tehran Municipality said: One of the restoration plans for the Tajrish floodway is to construct a declination tunnel for the area which has accrued so far 170,000,000 rials' expenditure for the Tehran Municipality.

He finally added: With a width of 10 meters and a height of 6 meters the said tunnel will be 150 meters long. To date the construction works for 60 meters of the tunnel have been carried out, and 30 more meters of it are in the process of being completed, and if the weather cooperates, its construction will be completed by 50 more work days.

#### **Commentary Calls for Reorganization of Top Management**

*46000115b Tehran KAYHAN INTERNATIONAL  
in English 15 Feb 89 p 2*

[Commentary: "Ayatollah Montazeri and the Simple Truth"]

[Text] The Victory of the Islamic Revolution was a divine gift. That was the opinion of the leader of the revolution, Imam Khomeini as well as some enlightened sectors of world, public opinion.

Right from the moment of its triumph until now, the Islamic Revolution was subjected to innumerable acts of antagonism. It was almost besieged by domestic and foreign counterrevolutionary elements. All weapons at the disposal of the enemies of Islam, internal and external, were made use of against the revolutionary people of Iran without any considerations for internationally accepted conventions. Not only were the leaders and officials of the Islamic Republic assassinated or blasted to pieces by bombs, hundreds of laymen in the streets, marketplaces, bus-terminals, train stations and at their homes suffered the same fate.

All propaganda institutions of the West and the East were busy day and night doing all they could to suffocate the voice of the revolution and to tarnish its countenance.

With the same intensity, war on the economic front was waged against the newly established Islamic regime. The reactionary Arab head of states, even at the cost of crippling their own economies, did what they were ordered to do for diminishing Iran's main source of revenue: petro-dollars.

One such regime in Iraq was brought out in the open for imposing a war on Iran. The war was prolonged as long as it was possible in Iraq to do so. Understandably a nation of about 15 million could not have been able to stand up even for a couple of months against a nation of 50 million. But it did so for eight long years. Naturally it was not only Iraq that was engaged in a bloody war against the Islamic Republic of Iran. All know that it was the world that fought with Iran for eight years.

No doubt errors were committed by the officials of the Islamic Republic of Iran, at all levels, during the past decade, if not intentionally, as a consequences of lack of experience. Nevertheless, the imposed war was there as a big shield of protection. Anyone could crouch behind it and save both neck and face.

Fortunately for the nation and maybe unfortunately for a few individuals, that shield has started crumbling since July 18, 1988, when Iran accepted the UN Security Council Resolution 598.

Now, as stated Saturday by Ayatollah Hussein Ali Montazeri, the successor-designate to the leader of the Islamic Revolution, it is time to evaluate what all the nation and the authorities did in the first decade of the revolution. In fairness it should be stated that the nation did fulfill its obligations. There is no need to elaborate on this point. It would suffice to say that the nation, during all the ten hard years, ungrudgingly demonstrated its loyalty to the Islamic Revolution and its leadership. And certainly it was a further display of the people of Iran's generosity and selflessness when they turned out in millions, not less than the previous occasions, at Azadi Square on Bahman 22 (Feb 11), to celebrate the tenth anniversary of their revolution.

So, the nation has come out victorious and scored high marks in all the tests it was forced to go through by the enemies of Islam and Iran. Ayatollah Montazeri and others have nothing but praise and admiration for the people. He called on the Islamic Republic officials to "make up for past mistakes." He emphasized the need for reorganizing the top management of the country before launching its reconstruction program.

What we would like to point out is that now it would not be to anyone's advantage to further ignore such criticisms. Ayatollah Montazeri, though not so harshly, had been advising the officials to do their best to rectify their errors. He has spoken before on most of the points. Unfortunately his fatherly advice, as to date, has gone unheeded.

The economic situation being what it is, can we afford to keep on ignoring such statements? No, certainly not. It is high time a top level commission consisting of ulema, academicians, statesmen, politicians—irrespective of their political outlook—businessmen and a few Majlis deputies should be formed for carrying out a detailed evaluation on the past accomplishments and mis-steps and submit the study, along with the commission's recommendations, to the founder of the Islamic Republic of Iran, Imam Khomeini.

Some such concrete action, we feel, is necessary prior to executing the already planned reconstruction projects. The job does not need greater care and attention. Rebuilding the economy of a war-devastated country is much easier than putting in charge the right persons to do the job. The Islamic Revolution and the national will—God forbid—suffer irreparable losses if persons concerned continue ignoring this simple truth.

#### **Commentary Advocates Expression of Different Viewpoints**

*46000115a Tehran KAYHAN INTERNATIONAL  
in English 14 Feb 89 p 2*

[Commentary: "Why Not Different Voices?"]

[Text] The French foreign minister's visit to Tehran earlier this month provided an opportunity for domestic and foreign media to once again focus on the foreign policy of the Islamic Republic of Iran.

The views expressed by foreign analysts in this connection, generally contained impressions that spoke of a 'quest' by the Tehran government for improved relations with the West, as well as a need for foreign assistance in the country's post-war reconstruction.

A clarification on such matters is the duty of the country's authorities who must first explicitly define Iran's foreign policy and secondly prove their devotion to its principles in practice.

The press here voiced completely different views on Roland Dumas' official visit to the Islamic Republic which took place at the head of a high-ranking political-economic delegation early February.

Some commentaries expressed lack of confidence in governments like that of France which has been Baghdad's main arms supplier, both during and after the Iraqi war against Iran, and stressed the need for caution in expanding ties with them. They mostly emphasized that the Islamic Republic's political interests and these governments past policies towards Iran must be taken into consideration as effective factors in promoting economic relations.

Needless to say, the expression of these views not only would not weaken the ruling system but would instead consolidate the current and future policies of the country. Because, the expression and reflection of different points of view around a particular policy, as well as an all-out and unbiased review of a certain political move from varying angles, would expose the deficiencies and shortcomings of those policies and activities. At the same time, it would help the government to adopt its new policies in a manner to minimize its vulnerability. Another advantage of this approach is that it would cause the country's executive officials to enjoy a stronger position when tackling the issues and when meeting representatives of foreign governments.

Iran's interior minister last week strongly lashed out at France and objected to the visit of the French foreign minister. His remarks, however, received tough reaction by two Tehran dailies which voiced concern over "such irresponsible statements."

But the fact is that expression of different views on particular views on particularly important issues, would never mean the emergence or exposure of division among the executive officials or the centers supervising over the current policies.

Principally, the necessity of raising and contrasting different viewpoints on important state, political, economic, and cultural affairs, is the philosophy behind and the basis for the existence of many decision-making centers in the country, like the Majlis. In other words, the existence and expression of diverse views on important issues facing the state only indicates a general sense of responsibility vis-a-vis the trend of events, and instead of being opposed they must be welcomed with due significance attached to them.

Absolutism and self-centeredness always originate unpleasant consequences so much so that in some cases the cost of compensating for the losses would be very heavy.

Regrettably over the past ten years we have experienced a similar policy in many fields and have paid for the cost. But today that we have entered the second decade of the Islamic Revolution and are trying to be more conscious and decisive in coping with the problems, it seems imperative to avoid past mistakes to guarantee the success of the future path.

## PAKISTAN

**Politician Warns of Feudalism, U.S. Bases**  
46000119d Karachi DAWN in English 6 Mar 89 p 12

[Article by Anis Mirza: "Gichki's Hard-Hitting Speech"]

[Excerpt] Islamabad, March 5: The foreign policy debate in the National Assembly came to an end without much fanfare. Prime Minister Behazir Bhutto was not in the House when Foreign Minister Sahabzada Yaqub Khan delivered a comprehensive extempore 65-minute address.

It was perhaps the longest off-the-cuff speech in Yaqub's diplomatic career. From both sides of the House, members focussed their reflections on Afghanistan and relations with India.

But in contrast to Yaqub's suave dissertation, from distant rugged Baluchistan, it was Manzoor Ahmed Gichki who sounded a powerful and pronounced note of dissent.

Born in village Saami, Turbat district, Manzoor Ahmed Gichki sits at a remote end of the Opposition benches. He seldom speaks, but like Khan Abdul Wali Khan and Abdul Khaliq Khan of the Awami National Party, listens in studied silence. This 43-year-old politician, defeated political heavyweight Ghaus Bakhsh Bizenjo and his own uncle Amanullah Khan Gichki in November 1988.

A member of the Baluchistan National Alliance, Manzoor Ahmed Gichki, a graduate of Karachi University, was jailed in the Ayub era and arrested by Zulfikar Ali Bhutto in the seventies.

At the very outset Manzoor Ahmed charged that Pakistan hardly qualified as a politically or economically independent country. Politically, he said, it was oriented to the United States and the West and economically it was in the grip of the IMF and the World Bank.

From a colonial era Pakistan, he said, had been taken over by neocolonialists.

Lashing out in facile Urdu, Manzoor Ahmed Gichki said through the might of military dictatorship in Pakistan, feudal landlordism and capitalism had been deliberately given support, reducing the underprivileged to wallow in poverty.

Just as Gichki attacked feudalism in Pakistan, a thunderous applause burst from the People's Party benches. Manzoor Ahmed then gave his hardest swipe. He said bases had been given to the United States in Turbat and the Mekran coast and monitoring facilities provided.

He warned that a militant posture in Afghanistan or attempts at its Balkanisation could lead to a spill over to Pakistan and to the Balkanisation of the entire region. [passage omitted]

**Saudi Arabia To Aid Defense Production**  
46000122d Peshawar THE FRONTIER POST  
in English 28 Feb 89 p 7

[Text] New Delhi—Saudi Arabia is to cooperate in Pakistan's defense production programme in a big way.

Col (Retd) Cheema expressed satisfaction over his talks with the Saudi defense minister, Sultan Bin Abdul Aziz, and other officials.

"The talks were productive and fruitful and the Saudi leaders felicitated me on the successful manufacturing of surface-to-surface missiles by Pakistan", he remarked.

Pakistan had sought funds from Saudi Arabia for purchasing combat planes, other arms and the P-3 airborne early warning (AEW) aircraft, according to frequent reports of Pak-Saudi connections in defense publications.

Riyadh, reportedly, stopped aid to Islamabad after Pakistan withdrew its 100,000 troops from internal security duties in Saudi Arabia.

Pakistan wanted the money to buy 60 additional F-16 Falcons. Besides, it was also interested in acquiring a new battle tank, and contrary to reports, was still keen on the Abrams M-1 tanks. Pakistan's first priority was air defense including the AEW additional combat aircraft and improved surface-to-air missiles.

"Acquiring an airborne early warning aircraft (AEW) has long been high on 'the list' of Pakistan's priorities".

Since the Boeing E-3A is too expensive, and the Grumman E-2C did miserably on its first trials in Pakistan's mountainous terrain, Islamabad is said to be investigating a possible buy of the Lockheed P-3 AEW aircraft. Its first model recently entered service with the U.S. customs department.

The Lockheed version has 360 degree radar dome and has four engines. Pakistan had been insisting that its AEW have four engines and was dismayed that the E-2C had barely two.

The Pakistan Air Force has got the prime share of defense funding for some time and the navy is known to want anti-submarine warfare aircraft and frigates. But, the army may feel left out altogether and press for purchasing the M-1 tanks.

Pakistan's keenness on acquiring an AEW was evident from the incident in which it sought to cover up facts of an F-16 accidentally shooting down a companion Falcon.

It was made out as if the plane had been hit by a missile.

Islamabad was reportedly helped in the cover up by some Pentagon officials.

The accident happened in May 1987 when the pair (of F-16s) was flying airpatrol along the border with Afghanistan.—UNI

# **Commentary Views Problems in Relations With India** 46000119a Karachi DAWN in English 27 Feb 89 p 7

[Article by A. M. Sadullah: "Amity with India: Some Snags"]

[Text] The return of democratic rule in Pakistan brought a refreshing change in the attitude of India towards Pakistan which has always been marred by feelings of animosity and rancour on both sides. It was difficult to think of any rapport developing between a country claiming to be the world's largest democracy and a country where all forces and norms of democracy were smashed by successive blows struck by long periods of authoritarian military rule. The last one not only lasted for well over a decade but introduced a system of military dictatorship with the avowed object of bringing in the basics of a theocratic regime.

Hopefully, we seem to have come to an end in the chapter of this unhappy relationship and are in the process of witnessing the first signs of a thaw. It is, of course, too much to expect the past covering four raucous decades of acrimony to be easily forgotten, especially when the basic cause of differences between the countries was genetic. The political wounds of three wars are still raw. The tradition of the subcontinent is rather poor in relying to efface miseries through recourse to a mutual understanding based on "forget and forgive," especially when progressive forces tend to be drowned by the monster of rightist and reactionary forces on both sides.

The Islamabad SAARC [South Asian Association for Regional Cooperation] Conference will be remembered by all well-wishers of the two countries for the opportunity it provided to the two democratically elected heads of the Government of India and Pakistan to meet and, at least, make a beginning in an earnest endeavour to lessen, and perhaps eventually remove, the scars of old hostilities whose wounds traditionally take a long time to heal.

The first harvest reaped by this meeting came in the shape of the conclusion of three agreements. The first one, desisting any attack on each other's nuclear installations had eluded late President Zia for a long time. It is not only an indication of the diplomatic success of Ms Benazir Bhutto but also of the understanding which Mr Rajiv Gandhi has been able to develop with his counterpart.

The second agreement on exchange of cultural visits and those of artists has come in for criticism on the absurd ground that Pakistani culture and art is likely to lose its grip among its people when they come in contact with such a different and alien culture. It betrays a lamentable lack of knowledge about the growth, evolution and interaction of different cultures in general, and of Islamic culture in particular. Art and culture, if they are

meaningful, cannot thrive, in isolation. Besides, true Islamic culture with its emphasis on equality, egalitarianism, love for peace and the downtrodden need not suffer from any sense of fear of losing its influence and hold. Luckily, this group comprises only the rightwing fringe (which, of course, includes the clerics) which has arrogated to itself the role of the defender of the country's ideology by harping on the hate factor against India. This small minority, is usually critical of any Government policy of extending a hand of friendship towards India.

However, even though the paranoia of the past, enmeshed in the partition of the subcontinent can, to some extent, be diffused through the efforts of the two democratically elected Prime Ministers, there is no reason at all to allow emotions to swing to the other extreme by a newly created euphoric outburst. One must guard against it even though one should shed oneself of a feeling of morbidity which unfortunately underlines the attitude of some towards the other country. This is what the two leaders should inculcate among their respective peoples, if they can, in an earnest endeavour to break the shackles which had locked the generation of their parents into decades of a consuming passion of venomous hatred. For without it the wide area of disagreement on vital issues that exists, and threatens to get wider, will defy all efforts at reconciliation.

One of the most potent causes of friction, particularly between two neighbours who have thrice gone to war with each other, in as many decades, is the over-arming of one country with modern sophisticated weapons quite out of proportion to its normal requirements. This justifiably produces periodic waves of alarm in the neighbouring country which, in pure self-defence, is compelled to arm itself, also out of proportion to its normal requirements deemed necessary for peaceful co-existence in the region. This triggers both countries to quite an unnecessary and burdensome arms race which neither can even remotely afford.

In fact, the term "arms race," seems rather misleading in the context of Indo-Pakistan arms build-up. It clouds the distinction in the purpose behind the build-up of arms by these two countries. We arm to protect our freedom which is imperilled by the huge and continuing accumulation of arms by India. India, with vastly more than it needs for self-defence and with an unending supply to augment its arsenal would lead any observer to think that it arms for intimidation and aggression in the region, especially towards its principal adversary, Pakistan. It is this aspect of India's expanding hegemony which all Pakistanis, including Ms Benazir Bhutto, must find most worrisome. Mr Rajiv Gandhi must find some means of sincerely satisfying his counterpart and her Government and people in Pakistan that their fears of national integrity and of being swept aside by India's expanding hegemony in the region are based on unsound reason. In all such matters mere words, howsoever saturated with a coating of goodwill, do not go nearly as far as actual

deeds. The SAARC can play a positive role on this if its deliberations led to a national reduction of armed forces of both India and Pakistan to, what the 27th Party Congress, of the CPSU [Communist Party of the Soviet Union], under the wise leadership of Mr Mikhail Gorbachev, terms as "limits of reasonable sufficiency" for all countries. If India really seeks an enduring peace with Pakistan, Mr Rajiv Gandhi must make some such move dictated by a need of positive realism.

India's cherished desire of becoming the dominant power in the region, commensurate with her size and economic potential is understandable. But she does not have to acquire this status through the construction of a vast monstrous war machine that consumes over five per cent of her GNP, while her teeming millions are kept under-nourished and semi-starved.

Prof. Boreham of Ottawa University in the course of a recent research study carried out in India has observed, "No amount of positive thinking can obscure the fact that about 735 million people remain completely outside India's identifiable consumer class—recent estimates indicate that some 270 million Indians are chronically malnourished and another 450 million in acute poverty...and because 400 million in India do not have money to buy food, bumper crops could do little to abolish hunger and malnutrition in India."

And as if India's huge war-machine lacks sufficient bite she has reportedly accepted a French offer of a package of advanced military hardware and technology to bolster her ambitious missile programme and expand her Air Force.

India's oft-repeated advocacy of a South Asia free from any interference by outside powers is viewed in this country as prompted by India's desire to establish its hegemony in the area. This formula is also motivated by India's desire to strike at the root of Pakistan's relationship with the United States and China.

Pakistan's nuclear programme has been the subject of fierce attack by India. Even as recent as early this month, Mr Gandhi was reported to have said that West Germany had supplied nuclear technology and tritium to Pakistan in order to increase the yield of nuclear bomb by 4 to 10 times. He was further reported to have said that India would have to seriously consider what could be done to defend its security. As if its vast military machine needs further augmentation to cope with the bogey of a Pakistan "threat". And India never tires of preaching the virtues of nuclear disarmament to Pakistan!

In the face of all these, and many other unresolved contentious issues, let it be admitted frankly that, for a long period, Pakistan has been looking at India with suspicion. It should now be India's responsibility to see that Pakistan is made to feel more secure. In fact, if

India's desire for enduring friendship with a new democratic Pakistan is genuine—as indeed most of us here believe it is so—it should assure Pakistan by words and deeds that its earnest desire is to see that Pakistan is able to bend all its energies and resources to development. And the surest way for Pakistan to be convinced of the change in India's stance is when it actually sees India too engaged in a similar exercise, a course which both can, in mutual goodwill and cooperation, charter for themselves to tackle the manifold problems of their respective peoples who live in almost identical conditions of indigence. And this is possible for both while still keeping their respective defence outfits within "limits of reasonable sufficiency."

After all, relations between East and West, have never been happier as now since Mr Gorbachev took the bold initiative to substantially reduce his defence requirements in order to divert his resources to economic "restructuring." Cannot Mr Rajiv Gandhi take a leaf out of the book of his illustrious ally, Mr Gorbachev, and in the process, strengthen the hands of Benazir Bhutto in being able to cement the base of the newly laid democratic structure, which, no doubt, he wants to, like all true lovers of democracy?

India has also to take the initiative to work out the modalities of how to solve the remaining problems between the two countries on the basis and spirit of the Simla Agreement.

**Editorial Says Disparity Leads to Social Unrest**  
*46000120b Peshawar THE FRONTIER POST*  
*in English 25 Feb 89 p 4*

[Text] One of the main causes of the increasing violence in our society is the glaring disparity in the distribution of wealth in the country. This is the result of many factors over which we have no control. The continuance of feudal economic ideas and ideals, the lop-sided economic development in recent years, developments in which social justice has remained at the oratorical level and never seriously striven for by any government, and most recently the vastly increased opportunities offered to a favoured few to amass immense wealth by means that cannot be justified by any standard. Today, we, therefore, have a great difference between the poorest sections of our people on whose toil the whole edifice of our society rests, and those few who have great wealth and unlimited opportunities for increasing it rapidly. Not only does this great disparity incite violence among the deprived, but in Pakistan the way wealth is ostentatiously displayed, used or rather misused, the way it is flaunted in the faces of the very poor, deliberately to arouse their envy which turns to hate till it bursts out in anarchic violence.

The first and more urgent task therefore, is, to use our best endeavours to provide all with the basic amenities of human existence, a roof over head, two square meals a day, and clothes to cover man's nakedness against the

wind and weather, healthcare and clean drinking water. It would be utopian dreaming to bridge the great gulf that separates the rich and the poor and it would be even more stupid to talk about it. Egalitarianism has been one of man's dreams, but realism has forced the best of our philosophers to realise that it is not within the reach of any society anywhere in the world. In Pakistan, it would be utter folly to think that we can attain an equitable distribution of wealth. The most we can hope to achieve is that for a beginning we can assure all the minimum amenities and to increase by slow degrees opportunities for social mobility for increasing number of our people. Secondly, we can immediately, by persuasion and by suitable legislation make the ostentatious and unproductive spending of wealth by the privileged few increasingly difficult. Palatial houses, expensive cars and all luxury goods should be so heavily taxed that the extremely wealthy are made to contribute something to the amelioration of the lot of the poor. Likewise lavish wedding parties and other social celebrations by the wealthy such as happens on Basant in Lahore. All such displays of wealth should be heavily taxed. Sales tax on jewelry should also be prohibitive.

These steps will not only be in keeping with the requirements of our faith but will discourage unnecessary display of wealth. Furthermore, the taxes thus collected, together with the Zakat and Ushr funds should be used not only to distribute charity to a few deserving persons but should be used to start enterprises which not only yield profits but also provide employment to the poor. There are, in our country non-government organisations [NGO] managed by honest God fearing men like Maulana Eidhi and there are people like the founder of the Burney Trust, whose concern for human rights entitles them to the respect of their countrymen. The administration of much of the funds meant for charitable purposes should be done with the help of such NGOs. The present bureaucratic methods of using Zakat and Ushr funds is unproductive, firstly, because of the top heavy bureaucratic machinery which consumes a large part of the funds, and secondly, there have too many cases of fraudulent use of these funds, and even misuse of this money for political purposes. At present there is a general feeling that a large portion of Zakat and Ushr funds is not spent on the purposes for which they are collected.

Without threatening the rights of private property and private initiative in business and industry, we should devise ways and means to step up the pace of industrialisation resulting in increasing the total wealth of the country so that the poorest sections can also get some little share in our prosperity. The social justice and human concerns of Islam furnish us with adequate guidelines how we could move towards a more just economic order by evolutionary methods. We will then be able to eliminate many of the causes of violence and criminal tendencies within our society. A stable society, in which all individuals feel that the rulers and the privileged sections of society care for their welfare and



that some measure of economic justice is one of the objectives of our ruling class, will be a much better way of ensuring peace and evolutionary growth and progress than the use of force either by the state or by the underprivileged.

**Commentary Predicts Rise in Foreign Debt**  
*46000120a Karachi DAWN in English 27 Feb 89 p 7*

[Article by Dr M. Aslam Chaudhary and Dr Ghulam Mustafa: "Rapid Rise in Foreign Debt"]

[Text] Our foreign dependency has risen to an unprecedented level. This tendency has raised concerns about viability of our strategy towards foreign borrowing. It is creating problems for sustainable growth. The problem has been identified several times by the previous governments as well as by the present regime.

In the 1970's, Pakistan's foreign debt grew at an average rate of over 11 percent per annum. Presently, our foreign loans have reached \$14 billion. An important feature has been that since the mid-1970's our debt service payments have increased at a much faster rate as compared to outstanding debt. Our previous Governments continued to claim that foreign dependence would be reduced substantially.

We have been listening to this claim since the 1960's, and similar claims have also been continued in the Seventh Plan. However, foreign loans are increasing with the passage of time. In 1974-75, debt servicing was 25 percent of our exports which increased to 38 percent in 1984-85. Our external debt, 27 percent of our GNP [gross national product] in 1981-82, increased to 31 percent in 1985-86. Our demand for foreign loans is increasing by 15 percent per annum (Haq, 1988). Our foreign loans grew by 11 percent per annum during the 1970's.

The purpose here is to investigate whether we will be reaching a crucial level of foreign dependence, if the present trend to borrow continues. Let us have a general over-view of our historical pattern of foreign borrowing and capacity to repay the same before we make our forecast for the year 2000.

The following table provides a sketch of history of foreign dependency and capacity to repay the loans, viewed by various perspectives:

The above table indicates that our foreign loans, as percentage of GNP, are about eight times in 1985-86 that of 1960-61. However, the same were even greater in 1975-76. The amortisation payment, as percentage of disbursed loans was 3.2 percent which increased to 39.5 percent, an increase of more than twelve times during this period. Similarly, debt servicing and interest payments, as a percentage of export receipts, have been doubled during the same period. It indicates that our dependency on foreign resources is increasing rapidly, although it is not very severe at this stage. Let us now view the international perspective of foreign dependency.

**International perspective:** We have analysed about one hundred countries and picked up two major groups consisting of 27 countries which are indebted with foreign loans. There are thirteen countries which have accumulated foreign loans more than 100 percent of their GNP. These countries are: Mali, Togo, Madagascar, Zambia, Mauritania, Bolivia, Yemen PDR [People's Democratic Republic], Cote d'Ivoire, Ivory Coast, Nicaragua, Paraguay, Costa Rica, Chile and Israel.

The second group of countries is of those who have foreign debt more than 60 percent of their GNP but less than 100 percent. These fourteen countries are: Malawi, Niger, Benin, Senegal, Liberia, Egypt, Papua New Guinea, Honduras, Dominican Rep, Peru, Ecuador, Syria and Malaysia. As compared to countries, Pakistan's foreign loans are only 31 percent of GNP.

Foreign loans may not pose any serious problem as long as a country has the capacity to repay the debt and continue its accelerated growth of the economy. To view the repayment capacity, we have picked up only two variables, although there are several others which may be made a part of the discussion. We have viewed the debt servicing as a percentage of GNP and exports.

Out of the afore-mentioned, only eight countries were paying more than 10 percent of their GNP as debt servicing. These countries are: Togo, Mauritania, Yemen

**Indicators of Foreign Dependency**

Year	Debt % of GNP	Amortisation % of Disbursement	Debt Services % of Exports	Interest Payment % of Export
1960-61	4.0	3.2	15.0	5.3
1970-71	32.0	16.5	4.5	19.3
1975-76	44.0	13.3	22.0	9.6
1980-81	29.0	37.0	20.5	8.2
1985-86	31.0	39.5	29.5	10.0

PDR, Papua New Guinea, Costa Rica, Chile, Malaysia and Israel. These countries are those who have reached critical point where they are already facing hardship to repay the debt or will be facing a danger to their economic growth. The rest of these countries had debt services less than 10 percent of their GNP. As compared to these, Pakistan is paying only 3.2 percent of its GNP as foreign debt.

The real danger of foreign dependence may be seen more clearly if we look at their foreign exchange capability. It should be noted that data for only 19 countries, out of 27 already mentioned above, is available. There were 17 countries who were paying more than 15 percent of their exports receipt as debt servicing. There were about 10 countries whose one-third of their export receipt was washed away by debt servicing. It should be noted that Pakistan also falls in this category, about 30 percent of our exports earnings go in debt servicing. Although, our debt as a percentage of GNP is not very high, yet our ability to earn foreign exchange is limited when we look at our export receipts.

**Expected foreign loans:** We have made forecast based upon our normal historical pattern of foreign borrowing, which is assumed to be generated from our current account deficit. The projections are made for expected demand for foreign loans and debt servicing which will be generated as a result of this indebtedness. We have assumed that the amortisation period for public loans will be 30 years and 20 years for private loans.

Table 2 reveals that our outstanding debt, Rs 160,105 million, in 1987-88 will increase to Rs 573,535 million by the year 2000-01 and to Rs 1,153,740 million by the year 2007-08.

It indicates that our outstanding debt will be seven times that of 1987-88. Similarly our debt serving will increase by more than nineteen times during the same period. In other words, the growth of debt servicing will be increasing at a rate of sixteen percent per annum. Whereas, it is expected that our GNP will grow at the rate of 8.12 percent per annum. It indicates that the debt servicing will be growing 8 percent faster than our GNP.

The burden of debt servicing may also be viewed as its share in our GNP. Table 2 also shows that in 1987-88, debt servicing is 1.1 percent of our GNP, which will increase to 5 percent by the year 2000-01 and to 6.6 percent by 2007-08. In other words, the same, as percentage of GNP, will be six times in the year 2007-08 as compared to that of 1987-88. It does indicate an alarming signal of increasing burden of debt servicing.

The increasing burden of foreign loans may also be viewed as per capita debt outstanding. Presently, our population is estimated at 104 million, which is expected to become 185 million. On the other hand, our real per capita debt outstanding which is Rs 1,496 will increase to Rs 3,783 in 2000-01 and to Rs 6,243 in 2007-08. Thus, it will grow at the rate of over 7 percent per annum. In other words, real per capita debt outstanding will be four times greater than that of 1987-88. It does indicate that the foreign dependency will be increasing rapidly if proper alternate policies and domestic resources are not mobilised.

It should be noted that although presently Pakistan does not have heavy indebtedness as compared to other developing countries, as discussed before yet, our analysis reveals that in the next century it will join the second highly indebted countries in the world. Its foreign outstanding loans will exceed sixty percent of its GNP. It should also be noted that our analysis is related to the real debt outstanding. Similarly, its debt servicing will also lead it to make it a part of the same group of countries.

Our analysis reveals that Pakistan's debt is increasing rapidly. Even though Pakistan is not one of those developing countries who have accumulated foreign loans to a crucial level, the tendency of foreign borrowing does indicate that it is on the path to join the group of second highest foreign indebted countries by the turn of the century. Similarly, the increasing burden of foreign loans and debt servicing could also lead to a bottleneck for its economic growth. As a result, the per capita debt outstanding is also growing very rapidly. Therefore, it is necessary that appropriate economic policies are introduced to take care of this disease before it gets out of control.

**Table 2. Expected Foreign Debt and Debt Servicing**

Year	Debt Outstanding	Debt Services	Debt Outstanding as Percentage of GNP	Debt Servicing as Percentage of GNP	Per Capita Debt Outstanding (Rs)
1987-88	160,105	6,404	27	1.1	1,496
1992-93	261,404	29,186	33	3.7	2,173
1997-98	426,598	46,518	41	4.4	3,058
2000-01	573,535	62,186	46	5.0	3,783
2007-08	1,153,740	1,24,890	61	6.6	6,243

### Editorial Calls for Science Policy

46000119b Karachi DAWN in English 25 Feb 89 p 7

[Text] The Minister of Education recently expressed the Government's dissatisfaction over the country's poor human resource base in the field of scientific endeavour. In this connection, he has favoured the launching of a crash programme to produce physics scientists. At present the country has only 200 Ph.Ds in physics compared to 8,000 in India, a developing country. He has also referred to the PPP's [Pakistan People's Party] commitment in the manifesto to achieve the goal of spending 4.5 percent of the GNP [gross national product] on education and science to turn out more scientists and research scholars. Science education and research has traditionally taken a back seat in our development endeavour, though sporadic efforts have been made from time to time to catch up with developments in various branches of science and technology. At present, Pakistan spends about 0.2 percent of its GNP on science and technology as against the one percent recommended by the United Nations agencies. This is a far cry from what the advanced countries have been investing in this sector—up to 5 percent of their GNP. Pakistan's 32 universities and research organisations together produce 40 Ph.Ds a year compared to 1,000 Ph.Ds produced in India annually. Even a small country like Singapore has 40 mathematicians at its national university in comparison with 16 at Pakistan's largest mathematics department at the Quaid-i-Azam University. In the absence of an atmosphere conducive to the flowering of scientific research, many of the country's top scientists have gone abroad.

Scientific research does not figure prominently in our scheme of education. This is enough to show where science stands in our scheme of educational priorities. Science is denied adequate funds and other critical inputs. Our scientists find it unrewarding to work within the country, both financially and in terms of research facilities, with the result that the flight of scientific talent has continued unabated. It is scarcely surprising that inter-actions with world scientific personalities are so rare. The most important factor perhaps is that education and learning in general are at a discount. Applied scientific research in basic sectors like health, habitation, water supply and the environment has simply failed to take off. Denial of the requisite patronage to research can be gauged from complaints by the PCSIR [Pakistan Council of Scientific and Industrial Research] Chairman that the budget was too small even to meet the minimum development requirements during 1988-89.

Pakistan is yet to formulate a science policy which addresses the problems of scientific education and research, specifies targets in and allocates resources to the different scientific disciplines and lays the groundwork for the development of institutions of higher scientific research. Apart from getting rid of the prevailing scepticism towards new advances in science, there is an urgent need to review and update existing curricula of science as well as to make education more research oriented. To generate interest in science education, the

students should be initiated into it right from the elementary levels of learning. It is not possible to encourage talented students to take up scientific subject until career prospects in educational and scientific sectors are improved considerably. If we are to catch up with the newly industrialised Third World countries we must promote wider interaction with scientists abroad, encourage freer discussion in universities on issues relating to research and development, institute awards for outstanding contributions to science, promote publication of research papers and explore the possibility of establishing scientific institutions in collaboration with friendly neighbours with similar aspirations. Higher allocations to universities for organising international conferences and producing scientific journals should be stressed if we are to turn these institutions into centres of excellence. The present Government is wedded to the policy of strengthening the main contributors towards national development, i.e. agriculture, industry and energy. Without broadening the country's scientific-technological base, progress in these key areas will not be possible.

### Editorial Calls for Improvement in Manpower Export

46000119c Karachi DAWN in English 6 Mar 89 p 7

[Text] The Federal Minister for Labour and Manpower announced the other day that 50,000 jobless people would be sent to Libya shortly. Arrangements are also being made to provide employment to thousands of others in Saudi Arabia, Iran, Iraq and the Gulf States. The Government's decision reflects its concerns for reducing the present alarmingly high unemployment level. Openings in the oil rich Muslim countries had been an important avenue of employment for thousands of skilled and unskilled workers in Pakistan. Apart from easing the existing social tensions engendered by a lack of job opportunities at home, the absorption of a large segment of the country's labour force in these countries brought regular, handsome dividends by way of remittances. There were about 1.5 million Pakistani workers all over the Middle East. But with the slowdown of the last few years in the Gulf economies, the boom period in the labour export market came to a close. The migration in reverse, propelled also by stiff competition from other States, resulted in a sharp downturn in remittances, which came down from over three billion dollars in the seventies to less than two billion dollars in the eighties. About 100,000 Pakistani workers had returned home by June 1987, raising unemployment levels from 3.9 percent in 1982-83 to 5.6 percent in 1986-87. Despite the slower tempo of economic activity in the labour-importing countries, the administration, in the absence of any definite policy for labour export, continued to issue licences for setting up of recruiting agencies. Numerous instances of ruthless exploitation of hardpressed workers at the hands of unscrupulous agents have come to light.

Lack of skilled labour for specialised tasks abroad and availability of better options with the host countries also contributed to Pakistani labour's difficulties.

The Government's plan to provide jobs to workers in the Middle East countries rests on hopes associated with an improvement in the employment climate in these States brought about by success in their efforts to diversify their economies. The increased demand for manpower bodes well for the thousands of jobless workers in Pakistan. The services of Pakistani labour could also be utilised in the massive reconstruction programmes to be launched in Iran and Iraq. But tough competition is likely to be encountered from many other countries, including developed ones and the NICS [expansion unknown]. Pakistan can hardly boast of possessing a well-conceived strategy to facilitate organised, regular flow of labour for purposes of employment. The recruitment of workers has been conducted in a most haphazard manner in the past 10 years. The need for imparting training for various skills has been neglected, nor has any survey been conducted of the employment trends in the Middle

East. Even though there existed a groundswell of goodwill for Pakistan in many of the Middle East countries, this country was edged out from the labour market in the face of stiff competition from the Indians, Sri Lankans, Filipinos and South Koreans. The successful bidders had done a thorough job of studying the manpower requirements of the host countries in the context of the changed economic environment there.

Pakistan must make up for lost time and expeditiously carry out a comprehensive study of the needs of the labour-importing States. Not only is labour from many neighbouring States cheaper, but some of the countries also enjoy a relative advantage over Pakistani workers in terms of better skills. The training of workers in a variety of specialised fields has a direct relevance in the light of the construction boom that is expected to begin sooner or later in Iran and Iraq. An elaborate programme of training for the new openings coupled with a scientific survey of market forces is central to the success of the programme for manpower export. Special attention must also be given to the elimination of malpractices rampant in the operations of recruiting agencies.

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